

PRS-CAR-92-047  
JULY 1992



FOREIGN  
BROADCAST  
INFORMATION  
SERVICE

# **JPRS Report**

---

# **China**

---

# China

JPRS-CAR-92-047

## CONTENTS

8 July 1992

### POLITICAL

- QIUSHI Discusses Ideological 'Pluralism' [1 Feb] ..... 1

### ECONOMIC

#### NATIONAL AFFAIRS, POLICY

- Zhang Zhongji on Economy During First Quarter [JINGJI CANKAO BAO 17 Apr] ..... 6  
Ma Hong Views Economic Development [GUANLI SHIJIE 24 Mar] ..... 6  
Quantity Targets for 'Comfortable' Living Defined [ZHONGGUO TONGJI XINXI BAO 7 May] ..... 9

#### FINANCE, BANKING

- Shenyang's Brisk Enterprise Bond Markets [JINRONG SHIBAO 1 May] ..... 10

#### AGRICULTURE

- Higher Taxes, Freed Prices for Grain Discouraged [NONGYE JINGJI WENTI 23 Apr] ..... 11  
State Statistical Bureau on Grain Supply, Demand [ZHONGGUO NONGCUN JINGJI 20 Mar] ..... 13  
Ministry Issues Regulations on Costs to Peasants [NONGMIN RIBAO 29 Apr] ..... 16  
Rural Incomes Rise in Hubei [ZHONGGUO SHEHUI BAO 24 Apr] ..... 16

### SOCIAL

- Regulations Governing Church Organization, Management [TIEN FENG 1 Mar] ..... 18  
Constitution of TPMPC National Committee [TIEN FENG 1 Mar] ..... 21  
Constitution of Christian Council [TIEN FENG 1 Mar] ..... 22  
New Catholic College Begins Classes in Beijing [CHINA DAILY 7 May] ..... 23  
Survey on Temperament of College Students [JIAOYU YANJIU Apr] ..... 23

### MILITARY, PUBLIC SECURITY

- Article Recalls Importance of Nie Rongzhen [XINHUA] ..... 28

### REGIONAL

#### CENTRAL-SOUTH REGION

- Guangdong Robbery Ring Headed by Policeman Cracked [Hong Kong WEN WEI PO 7 Jun] ..... 32

### TAIWAN

- Depoliticized Vice Premier Shih Chi-ying Interviewed [HSIN HSIN WEN 23 May] ..... 33  
Interview With Hsu Li-nung on His Political Role [HSIN HSIN WEN 16 May] ..... 35  
Former Political Prisoner Views KMT Rule [TZULI WANPAO 4 May] ..... 38

HONG KONG, MACAO

Background on Appointment of Governor Chris Patten <i>[JIAOWANG OVERSEAS EDITION 18 May]</i>	40
Comments on Appointment of New Governor <i>[MING PAO 1 May]</i>	41
Privatization of Government Departments Criticized <i>[TA KUNG PAO 17 Apr]</i>	42
Zeng Yu-cheng Discusses Goals of Democratic Alliance <i>[JIAOWANG OVERSEAS EDITION 25 May]</i>	43

**QIUSHI Discusses Ideological 'Pluralism'**  
*HK 2003040192 Beijing QIUSHI in Chinese No. 3,  
 1 Feb 92 pp 20-24, 36*

[Article by Chen Yong (7115 8673); "Pluralism" and Others"]

[Text]

I.

Ever since the birth of Marxism, numerous facts have proved that the Marxist world outlook and methodology are universally applicable scientific truths. Scientific truth is regular and repetitive, and it is even possible for those who have not systematically studied Marxism before, and yet who are serious, to go deep into the realities of life and seek truth from facts to advance toward such a truth in certain aspects in the realm they themselves specially study. Lewis Henry Morgan, an anthropologist who was praised by Karl Marx and Friedrich Engels, is an example. After studying the work *Ancient Societies* by this American scholar, Engels affirmed that he "rediscovered the materialist conception of history which Karl Marx had discovered forty years before... and drew the same conclusion as Marx on major points." (*Selected Works of Marx and Engels*, Vol 4, p 1) This example couldn't more vigorously prove the nature of objective truth of Marxist conception of history, and prove that Marxism does not have any nature similar to factionalism.

It is not an empty phrase to say that Marxism has epitomized the scientific ideas of mankind. The scientific achievements of every truly great and outstanding thinker in history in the past have prepared conditions for the birth of Marxism. Marxism has never departed from the great path of human civilization, and it is the genuine inheritor of ideological achievements of mankind in the past. This is an important reason why Marxism can become universally applicable scientific truth.

The guiding position of Marxism cannot be denied, and such a principle has also been testified to by Chinese revolutionary practice for the greater half of this century.

After the Chinese proletariat mounted the historical stage, there was a fundamental difference between the Chinese democratic revolution and the European bourgeois democratic revolution. It was no longer a recurrence of the European bourgeois democratic revolution of the past, and whether viewed from international or domestic position, it became a completely new type democratic revolution led by the proletariat. If the bourgeoisie was the leading class in the European bourgeois democratic revolution, and the proletariat and other masses of the people were allies of the bourgeoisie, then the Chinese revolution in the past decades proved that fundamental changes had taken place in the historical position and status of the Chinese bourgeoisie. Just as Mao Zedong correctly pointed out, only during a certain historical period did the Chinese bourgeoisie have a certain degree of revolutionary nature, and that at

most it could only be an ally of the proletariat and could not become a revolutionary leading class.

Mao Zedong clearly pointed out: Even during the period of democratic revolution, Marxism was also the sole correct guiding ideology for Chinese cultural and artistic work. So far as a cultural principle was concerned, it was then democracy, not socialism, yet we should still vigorously propagate communist ideology. Naturally, we should also differentiate the cultural and educational principle in effect from the propagation of communist ideology. As new democratic culture, like new democratic politics and economics, "was led by the proletariat, they all had socialist factors, not ordinary factors, but decisive factors." (*Selected Works of Mao Zedong*, Second Edition, Vol 2, pp 704-705) Facts were precisely so. During the second revolutionary civil war period, Lu Xun, based on his rich experience and in light of his own understanding of the state of China and the practical situation at the time, believed that although China was still in the period of democratic revolution, yet the revolutionary literary movement led by socialist ideology actually became China's sole literary movement.

During the period of democratic revolution, socialist ideology had already become the decisive factor in China's political and cultural life and the only correct guiding ideology, and the literary movement under the guidance of such an ideology actually became the only literary movement. Yet today, under the historical condition of the leadership of the CPC, after the overthrow of imperialism and its agents in China, the carrying out of socialist revolution, and the in-depth development of socialist modernization, there are still people who, on the contrary, suggest that Marxism and Mao Zedong Thought should not be the only guiding ideology, and what should be put into effect is so-called "pluralism." Isn't this obviously turning back the wheel of history? In modern China, the viewpoint of so-called "pluralism" as a guiding ideology can neither hold water theoretically, nor can it work in reality.

So-called "pluralism" as a guiding ideology was mainly put forward by a small number of intellectuals in the cultural sphere, but it was precisely in the cultural sphere that the condition of the Chinese bourgeoisie was even worse than its political condition. It was incisively pointed out by Mao Zedong that the Chinese bourgeoisie was more culturally than politically backward. Facts were precisely so. During its preparatory period for the revolution and its course of revolution, the European bourgeoisie also brought forth for mankind a number of great and outstanding cultural representatives, and great thinkers, writers, and artists emerged in several major capitalist countries in Europe. And what was the situation in modern and contemporary China? True, it was undeniable that there emerged among the bourgeoisie a number of figures who had made historical contributions, but it was similarly undeniable that in China it was precisely because the Chinese proletariat became the leading class in the Chinese revolution that Marxism became a factor that played a decisive role ideologically, politically, and culturally. This resulted in

the fact that the greatest and the most outstanding thinkers, writers, and artists in China did not come from the Chinese bourgeoisie, but belonged to the people, to the proletariat.

In analyzing Russian revolutionary democratic thinkers and writers of the 19th century, Lenin believed that they represented the demand of the oppressed peasants for emancipation at the time, and were the most progressive, but the most important representative figures among them, including such great figures as Chernyshevsky, did not reach the proletarian ideology in the end. They stopped in the face of dialectical materialist ideology. That was because the strength of the Russian proletariat was then still weak, and had not yet become an independent political force. Although there was dissemination of the works of Karl Marx in Russia at that time, the scientific socialist ideology was still far from becoming a decisive factor.

In China, a large number of great and outstanding writers, though they were democrats from the very start, all accepted Marxist ideology afterward, and became communists. From democracy to communism, this is the common orientation and path for the most advanced intellectuals in modern China, including those in the cultural sphere.

In literature, it was exactly the left-wing literature represented by Lu Xun, Guo Mojo, Mao Dun, Ding Ling, and others that was the mainstream of modern literature, and the representative of progressive people's literature of modern China. A few years ago, some people who intended to "rewrite literary history" attempted to deny this historical fact. In their views, the history of Lu Xun, Guo Mojo, Mao Dun, Ding Ling, and a large number of popularly acknowledged proletarian and people's writers should all be "rewritten." They actually believed that their status should be depreciated, and even be basically negated. This cannot but be regarded as an expression of the influence by bourgeois liberal ideology in the cultural sphere, which admits of no neglect.

## II.

It is affirmed that Marxism should become the guiding ideology of all work, including literary and artistic work, and there can be no talk of "pluralism" on this question. It is absolutely not because the CPC has become the ruling party and the major political force leading the state that it imposes its belief on others; it is because Marxism is truth, truth which has been testified to repeatedly by practice on numerous occasions.

"The force at the core leading our cause forward is the Communist Party of China, and the theoretical basis guiding our thinking is Marxism-Leninism," was put forward by Mao Zedong in the early period after the liberation of China. Under oppression by imperialism and feudalism, the Chinese people were disaster-ridden, and over a hundred years of struggles could in no way change the destiny of the Chinese people. It was only because of Marxism and the CPC leadership that China was emancipated, and that the Chinese people really

stood up. This truly deserves to be called China's unprecedented change, about which some young people still have learned very little up till now; but whoever lived, suffered, and struggled in old China witnessed it and would have personally experienced it.

When we say Marxism is universal truth, we refer first of all to Marxist philosophy—dialectical and historical materialism, which are the Marxist world outlook and methodology, and the theoretical basis of Marxism. Judging from historical materialism with regard to social life, to sum up in Marx's own words, that is: "It is not human consciousness that determines human existence; on the contrary, it is human social existence that determines human consciousness." "Philosophers only explain the world in different ways, and the question lies in changing the world." (*Selected Works of Marx and Engels*, Vol 2, p 82, Vol 1, p 19) This is the only scientific truth in historical science and on the question of ideology. Is there a second or a third truth up to the standard of scientifically explaining the relationship between social existence and social consciousness? No. Of course, there would still be quite a number of people who are not for this historical materialist theory, or are even against it, but the facts are. Real life is operating in accordance with this truth, which is independent of human will.

Mao Zedong declared in *On New Democracy*: "There is only one truth, and who after all discovers truth depends not on subjective exaggeration, but on objective practice." (*Selected Works of Mao Zedong*, Second Edition, Vol 2, p 663) A few years ago, there was a controversy among cultural circles on the question of whether or not there was only one truth in the end. There is only one truth, as I see it. Truth itself is not pluralist either. The question lies only in: Different things have different truth. Dialectical and historical materialism are universal truths that cover nature, society, and human thought, and are also the only truth at this highest level.

It doesn't mean that Marxism can take on and replace everything. For truth, there are also different levels. We say dialectical and historical materialism are the only correct universal truths, and the only correct world outlook and methodology, but nature, society, or human thought are diverse and complicated, and it is necessary for us to study them specifically under the guidance of the universal laws of dialectical and historical materialism. Marxism can only include, but cannot replace, particular laws in all these spheres.

A few years ago, there were people who, to oppose Marxism and to deny that Marxism is universally applicable truth, declared in a frivolous and ironical tone that there should be "Marxist astronomy" and "Marxist mathematics." Such people thought this was a clever denunciation of Marxism. In fact it only exposed their ridiculousness and ignorance. We have no idea which Marxist has ever said such things. Since we affirm that Marxism is universally applicable truth, and that Marxism has provided for us the fundamental viewpoint

and method for studying nature, society, and human thought, we should have "Marxist astronomy" and "Marxist mathematics." Marxism does not have its own particular astronomy and particular mathematics. Astronomy, mathematics, and other branches of learning should find their own particular study method based on their research object. However, particularity cannot depart from generality. Neither the research method of astronomy or mathematics can depart from the universal and universal method of dialectical materialism. What is required is to combine universality with particularity. This is of course a complicated and arduous job. There occurred in the past the dogmatic tendency of applying mechanically the universal law of dialectical and historical materialism to some specific scientific spheres. In the literary and artistic sphere, such dogmatic tendencies also existed in the past for a long time, which was neither favorable to the development of this branch of learning nor in conformity with Marxism. It also did harm to the reputation of Marxism.

### III.

The universal truth of Marxism is science, which has taken shape on the basis of scientific ideological results of various eras in the past. But after the emergence of Marxism, does the question of inheriting this fine heritage no longer exist? Would it not be enough just to have Marxism, with all scientific ideas of the past losing their positive significance in the socialist society of today, and all works of the past "canceled" or recycled into pulp to be used for other purposes, as was thought by many during the "Cultural Revolution?"

Marx, Engels, and Lenin never ceased studying and interpreting the work of this heritage all their lives, and the importance attached by Mao Zedong to the cultural traditions of his motherland is now being more and more recognized by all.

After the October Revolution, when Russian politics, economics, and culture made important achievements, Lenin still pointed out that the French materialist ideology and Hegel's dialectical ideology of the 18th century should be widely propagated among the people. He believed that it would not be enough to rely on Marxist works alone to oppose religious superstition and all kinds of anti-scientific idealist ideology. In a country like Russia, so complicated in circumstances, culturally backward, and enslaved by traditional ideas for a long time, to defeat all reaction, backwardness, and ignorance in the cultural sphere, and to do away with the idealist ideology in the minds of the people, Marxism must make concerted efforts with all advanced ideas. In his famous article *On the Significance of Militant Materialism*, Lenin extremely sharply pointed out: "If a Marxist believes that tens of millions of the masses of the people (especially peasants and handicraft workers) placed in such a predicament as ignorance and prejudice by the entire modern society can get rid of ignorance only by the straight road of pure Marxist education, then he is making the greatest and worst mistake." (*Selected Works of Lenin*, Vol 4, p 605) In this article published not long

before his death, Lenin put forward the question that Marxism formed an ideological alliance with various advanced ideas. Lenin even believed: "If one dares not form an alliance with the bourgeois representative figures of the 18th century (the period of the bourgeoisie or revolutionary class), this is no different from betraying Marxism and materialism." (*ibid*, p 607)

Such an idea of Lenin's is, of course, not in conflict with upholding the guiding position of Marxism, and it is exactly required by truly upholding the leadership of Marxism in the ideological sphere. Precisely in this article, Lenin pointed out: "If people believe that in solely relying on the revolutionaries they can fulfill the revolutionary cause, that would be one of their greatest and the most dangerous mistakes. Quite the contrary, the revolutionaries can only play the vanguard role of the advanced class truly full of vitality." (*ibid*, p 603) That is to say, to defeat hostile ideas, and to overcome ignorance and backwardness and various ideological influences of idealism among the masses of the people, Marxism cannot fight in isolation; it is necessary for it to unite with all advanced ideas to fulfill together the common task on the ideological front. Only thus can the leading role, or the vanguard role, as Lenin put it, of Marxism be seen.

*On the Significance of Militant Materialism*, published in 1922, was afterwards looked upon as the "philosophical testament" of Lenin. This "philosophical testament" of Lenin is of tremendous guiding importance for us today to oppose bourgeois liberalization and overcome and oppose various kinds of ignorant and backward ideas, idealist ideology, and corrupt phenomena.

Here in China, there were in the past people who maintained total Westernization, and who believed that every aspect of foreign capitalism was good, and the essence of such kinds of enslaved ideas of worshiping and having blind faith in things foreign was thoroughly exposed in the political disturbance that took place between spring and summer 1989. In the last two years, it was not quite convenient, I am afraid, to openly advocate again total Westernization, but rather there are now people who more actively preach the feudal traditions of the past. Are there not people who openly contend that "observation of things leads to knowledge, sincerity and integrity, moral cultivation, family keeping, administration of the state, and pacification of the world" are all good things, and should be restored? These people openly and fundamentally negate the anti-feudal struggles in the ideological and cultural spheres since the May Fourth Movement, and openly believed that the reason China's national spirit lacked vigor was because this set of feudal ethics and moral principles was discarded, and the rescuing method was to get them restored.

Superficially, it seems widely divergent from total Westernization, yet in fact they are both opposite and complementary to each other. Everybody knows that in pre-liberation China, feudal and colonial ideas existed side by side, and an ideological alliance was formed between them. They were originally two intimate brothers. Those who advocate total Westernization and

total fridization, consciously or unconsciously, are both essentially favorable to opposing Marxism and socialism, and are calling back the spirit for colonial, semi-colonial, and semi-feudal old China which has already been fundamentally remolded.

That we are opposed to total Westernization and total feudalization is also not the same thing as simple xenophobia and the simple rejection and negation of China's cultural heritage of the past. It is foolish to exclude all positive factors of modern Western ideology and culture because we are opposed to total Westernization. As for us in China, Mao Zedong long ago decided that a scientific summary should be made from Confucius to Dr. Sun Yat-sen, rejecting the dross and assimilating the essence. That is the scientific attitude.

The ideological and practical life of modern China is still complicated. Everybody can see that the ideas of worshiping and having blind faith in things foreign and traditional feudal ideas have again infiltrated into our daily life in many places, and have developed lopsidedly. Worship of money, cultural degeneration of Western capitalist society, and such phenomena as worship of gods, presumed ghosts, patriarchal clan worship, and swindling of women which existed in old China are now and then reported in newspapers and periodicals. On bookstands in the streets such books as *The Book of Girls*, *Ma Yi's Method of Fortunetelling by Appearance*, *Fantastic Ways of Escape*, etc. are often found on sale. *The Book of Changes* has also become especially popular recently, and there are numerous translations and editions with annotations. There are, of course, people who treat them seriously as classical works, but the trend shows they are mostly not. Some people have cherished a special love for ancient Chinese philosophy, and believed that it could tell fortunes, good or ill luck. Many of those who want to become rich first or are one step late and yet are still eager to catch up, try hard to get a copy to study diligently, because to try to make a fortune they also need "philosophy."

Meanwhile, we should see that those who firmly believe in and master Marxism are only the minority, but those who oppose and detest various kinds of the aforesaid ideas and phenomena of retrogression of life are the majority. It is impossible by relying on a small number of people who uphold Marxism alone to thoroughly wipe out these kinds of ideas and phenomena. Such a situation makes its necessary and also possible for Marxists, all patriots, and all those people who have democratic and scientific ideas to form an ideological alliance to oppose bourgeois liberalization, worshiping and having blind faith in things foreign, and feudalism and various kinds of backward superstition.

Such an ideological alliance or united front is of course not the same thing as "pluralism" of guiding ideology. It will not weaken but rather strengthen the guiding position of Marxism.

We should not neglect, nor should we forget, that there are dialectical factors in much important idealist thought of the past. It is known to all that Hegel is an idealist thinker, but at the same time has rich and profound dialectical ideas. Because of this, Engels criticized Feuerbach in his *Ludwig Feuerbach and the End of German Classical Philosophy*. He pointed out that Feuerbach discarded dialectics altogether when he negated Hegel's idealist system. This makes the ideas of Feuerbach, though a materialist, much poorer when compared with those of Hegel. However, it is not wrong to oppose Hegel's idealism, and it is impossible for Marxism to talk about an ideological alliance and united front with idealism. Marxism holds an attitude of respect for the materialism prior to it, but is also resolutely opposed to the metaphysics in the materialist ideology of the past, to its sensualist, mechanical ideas of negating man's dynamic role. People will not forget that the Marxist ideological edifice was constructed precisely by overcoming idealism, and the sensualist and mechanical defects of old materialism.

While upholding Marxism and opposing the so-called "pluralist" guiding ideology, those people in China who truly believe in Marxism will never negate the fine tradition of the past, and will pay attention to studying and absorbing the scientific ideas of modern and contemporary capitalist society.

A few years ago, some people who regarded themselves as the "elite," but are essentially intellectuals with strong democratic and individualist ideas and sentiments, suddenly spoke highly of the May Fourth Enlightenment Movement. Under the pretext of restoring science and democracy advocated in the early period of the May Fourth Movement (that was even before [as published] the Russian October Revolution,) they declared that after the May Fourth Movement "enlightenment was overwhelmed by national salvation," and "intellectuals lost their principal consciousness." Their spearhead was actually directed at the dissemination of Marxism after the May Fourth Movement and the Chinese people's revolutionary movement.

But can we negate the slogan of science and democracy put forward during the early period of the May Fourth Movement? This slogan was bourgeois in nature, and it referred primarily to the developmental viewpoint represented by the theory of evolution prior to Marxism and the bourgeois democratic ideas marked by the French Enlightenment school of thought. These ideas played an important role during the period of the May Fourth Movement in China, and even up till now should still be regarded as China's ideological heritage. After accepting Marxism, the Chinese advanced elements did not discard the spirit of science and democracy of the May Fourth Movement, but vested them with new and more profound content under the leadership of Marxism. Democracy is no longer narrow bourgeois democracy. It refers to democracy for most of the people, with the laboring class as the main body. Science refers, first of

all, to the scientific world outlook and methodology of Marxism and social revolutionary theories. We should regard the dissemination of Marxism after the May Fourth Movement, the victory of the Chinese revolution,

and the achievements of the cause of socialist construction as critical inheritance and incomparable gigantic development of the spirit of science and democracy of the May Fourth Movement.

**NATIONAL AFFAIRS, POLICY**

**Zhang Zhongji on Economy During First Quarter**  
**92CE0444A Beijing JINGJI CANKAO BAO in Chinese**  
**17 Apr 92 p 1**

[Article by reporter Bao Yueyang (0545 2588 7122); "Analysis of the Economic Situation During the First Quarter by the State Statistical Bureau—Reform and Opening Up Accelerate Economic Growth"]

[Text] Zhang Zhongji [4545 6988 1015], press liaison officer of the State Statistical Bureau, told Chinese and foreign reporters in Beijing on 16 April: Since the beginning of this year, every locality and every sector throughout the country has stepped up reform and opening up, and the national economy has advanced from steady growth to a stage of accelerated growth. There has been marked acceleration in production, construction, and circulation, and integral economic operations are basically normal.

Zhang Zhongji apprised of the following particulars in economic operations during the first quarter:

First, comparatively rapid industrial growth. Total output value of village and "above-village" industries during the first quarter was 608 billion yuan, 18.2 percent over the figure for the corresponding period of last year. In this figure the increase for the month of March alone was 20.1 percent. The increase in industries owned by the whole people was 13.2 percent. The increase in industries of collective ownership was 24.4 percent (in this category the increase of village-run enterprises was 31.9 percent). The increase in other economic norm industries was 47 percent. The increase in heavy industry was 20 percent, 3.6 percentage points higher than the increase in the light industry. The increase in output value of large and medium-sized enterprises was 18 percent, an accelerated growth.

As a consequence of accelerated production and marketing, state-run industrial enterprises in the budget were able to achieve 16.5 percent more in profits and taxes, as compared with the figure for the corresponding period of last year—some even achieved increases of 18.1 percent—which is the first upturn as against three successive years of declines. However, enterprise deficits and losses remained constantly high; capital blocked up in finished products increased by 15.4 billion yuan, as against the end of last year.

Second, accessions to agricultural operations. During the winter of last year and the spring of this year, the acreage of newly irrigated land was increased by 7.75 million mu, the acreage of restored irrigated land was 41 million mu, and the acreage of newly drained waterlogged fields was 11.8 million mu. During the first quarter, agricultural loans amounted to 20.7 billion yuan, an increase of 20.7 percent over the figure of the corresponding period of last year. Sales of agricultural means of production amounted to 26.4 billion yuan, an increase of 15.8 percent over the figure for the corresponding period of last year.

Third, faster increase in investments. During the first quarter, completed investments in fixed assets of units owned by the whole people amounted to 34.4 billion yuan, an increase of 36.6 percent over the figure of the corresponding period of last year. In this figure investments for renovations and transformations had increased 52 percent, and investments for capital construction projects had increased 32.2 percent. Investments in local projects had increased 52 percent, which was 29.7 percentage points higher than the figure for investments for central projects.

Fourth, a brisk market in a state of general stability. Retail sales of social commodities during the first quarter totalled 265.9 billion yuan, an increase of 16.3 percent. Rural markets began to turn brisk, and the sale of commodities in counties and smaller communities had increased 14.6 percent. Group consumption had risen at as high a rate as 22.5 percent, 6.8 percentage points higher than household consumption. After the state made known its policy of again raising grain sales prices, most residents showed full understanding, and the panic purchases that occurred in a small number of localities subsided very soon.

The general level of commodity prices in the market showed an upward tendency. During the first quarter, retail sales prices for commodities throughout the country rose by around 5 percent, compared to prices during the corresponding period of last year, while somewhat over 2 percentage points in this figure are accounted for by the influence of the sluggishness caused by last year's price adjustments. The cost of living for employees and workers in 35 large- and medium-sized cities rose 10.9 percent, compared with the corresponding period of last year.

Fifth, increased activity in foreign trade. Total exports during the first quarter amounted to \$14.97 billion, an increase of 12.7 percent over the corresponding period of last year. Total imports amounted to \$13.76 billion, an increase of 23.5 percent. During the first quarter, 4,185 contracts were signed involving the utilization of foreign exchange, foreign exchange contracted for amounted to \$6.54 billion, and foreign exchange actually provided amounted to \$2.53 billion, the increases in these cases were 86.3 percent, 2.4 times, and 35.2 percent, respectively.

Besides, the financial and monetary situation was relatively smooth and stable, with fiscal income higher than fiscal expenditure. At the end of the first quarter, household savings amounted to 995.6 billion yuan. There has been a fairly large increase in the incomes of the urban and rural population.

**Ma Hong Views Economic Development**

**92CE0465A Beijing GUANLI SHIJIE /MANAGEMENT WORLD/ in Chinese No 2, 24 Mar 92 pp 1-3**

[Text] Economic development in China during the 80's saw great achievements. This should be attributed first

to outstanding system reforms and a correct development policy. At present, economic efficiency has declined, the economic structure is irrational, and the great fluctuations in economic development have become important problems facing economic development. During the next five to 10 years, the important and urgent task is to optimize the economic structure, to improve large- and medium-size enterprises, and to increase economic efficiency by taking effective measures to realize the continuous, steady, and coordinated development of the national economy.

#### **Policy and Development Accomplishments in the 80's**

For the last 10 or more years, China's economic development has made strides. The gross national product in the past 10 years has shown an average annual growth of 9 percent, more than 2.5 percentage points over the 6.5 percent annual growth of the preceding 28 years. This growth rate far exceeds the world average of 2.8 percent annually for the same period, and places China among those nations of the world with the greatest rate of economic growth.

Economic growth during the past 10 years is distinguished by three marked characteristics. First is the fairly high growth maintained by agriculture. Through reforms made to the system of agricultural operations, by converting the people's commune system of the past into a joint contract responsibility system based on the rural household, peasant enthusiasm for production was aroused. In the past 10 years, agriculture has shown an annual growth of 10 percent, 2.3 percent higher than the world average. Grain production in 1980 was 280 million tons and increased to almost 435 million tons in 1990. This additional grain output comprised 29 percent of the world's newly added grain output for the same period. Production of pork, beef and eggs increased over 100 percent during the same 10-year period, and milk production increased 265 percent. The steady increase in agricultural production created favorable conditions for improving the people's livelihood, and contributed to steady growth in the national economy.

Second is the rapid growth of rural enterprises which had an important effect on total economic growth. In a 10-year period, the annual average growth of rural enterprises was 20 percent. Not only does the growth of such enterprises contribute to total growth of the national economy, it also opened a unique avenue for China's industrialization and rural modernization. In western nations, transfer of the agricultural labor force toward industry is accomplished through urbanization of the rural population. But China has an agricultural population of 800 million, and it is obviously not possible to accomplish this transfer of labor through urbanization. While rural enterprises enable workers to leave the soil but not to leave the village, thereby making it possible for rural areas to gradually evolve toward a unique form of industrialization and urbanization.

Third is the rapid expansion of international cooperation in the fields of technology and economics, that is

progressing from a closed or semi-closed relationship to an international market. By establishing special economic zones, opening 14 coastal cities and 13 coastal development zones, a preliminary opening that extends gradually from the coast to the hinterland is formed. This greatly strengthens China's capacity to participate in the international division of labor and international competition. The total value of import-exports was \$20.64 billion in 1978, and rose to \$115.41 billion in 1990, reflecting a growth of 4.6 fold. The total value of import-exports as a percentage of the gross national product was roughly 30 percent. At the same time, by adopting various preferential policies to stimulate foreign investment, a total of \$18.98 billion in foreign investment was absorbed, and \$45.82 billion in foreign loans was used in 10 years. Simultaneously, great effort was also put into attracting advanced foreign technology and management expertise, reducing technological and economic gaps between China and foreign countries.

The fact that economic development can result in these accomplishments cannot be separate from China's outstanding and effective reform program and correct development policy. First, since reform and opening up, policies have been implemented on the coexistence of diversified economic sectors. Under firm adherence to the premise based chiefly on a public-owned economy, many economic sectors coexist together. In the last 10 years, three kinds of foreign trade enterprises have been encouraged, and individual and private economic development enterprises permitted. At present, these enterprises make up about 10 percent of the total industry, and development of rural enterprises approach 30 percent. This is to say that rural enterprises, the three kinds of foreign trade enterprises, private and individual economic development enterprises which comprise about 40 percent of the gross industrial output only appeared rapidly on the scene in the last 10 years. Next, the economic management system is in the process of transition from a highly centralized one of the past to a planned commodity economy. The regulating effect of the market mechanism is gradually expanding in the economics of everyday life. At present, the output value of mandatory planned products only make up about 16 percent of the total output value, and guidance planning makes up 43 percent, and that of goods subject to market regulation make up 41 percent. From the standpoint of price determination, about 50 percent of prices are set by the market, and about 50 percent are state-set or floating prices. This shows the market mechanism is already exerting an important effect on our everyday life.

Besides factors related to system reforms, China has also made many important revisions in its development policy, with outstanding results. First, changing the past policy of tilting toward heavy industry and overlooking light industry has allowed light industry output, as a proportion of total industrial output, to rise 8 percentage points in a short two to three year span in the early 80's. In one stroke, the long-term shortage of consumer goods was turned around. Second, focusing on the serious backwardness of China's tertiary industry, a policy for

priority development of the tertiary industry was enunciated. In the past 10 years, the proportion of tertiary industry in relation to the gross national product, rose from 20.6 percent to 26.5 percent, particularly in real estate, finance, telecommunications etc., which showed a great and rapid development. At the same time during the early 80's, we had proposed changing from an extensive development style emphasized in the past, of high investment with low return, to an intensive form of development based on an improved level of technology and increased economic efficiency. This is an important policy guiding our economic development work.

#### Inherent Development Problems and Future Tasks

At the same time that great accomplishments have been achieved in the course of China's economic development, some rather urgent problems are encountered. They are noted chiefly in the following areas:

First, the fact that the extensive development model of high investment and low return associated with the traditional system of highly concentrated economic planning had not undergone complete change was reflected quite obviously in a drop in economic benefits that occurred for a time in the recent past. There were drops in the profit tax rate for some enterprises, as well as drops in the level of profit taxes. In addition to some problems in economic efficiency, worker income rose too fast. Enterprises were shouldering an increasing burden in interest for loans when the use of capital now required compensation, in contrast to no compensation in the past. The prices for raw materials were also rising.

Second, the economic setup is still unreasonable. Outstanding problems are the rather obvious contradictions in the basic and processing industries. Development in the basic sectors of energy sources, communications, raw materials etc., is relatively slow, and the capacity of the processing industry is relatively excessive. At the same time, facilities for item duplication within the processing industry are too numerous, their scale is too small, and their level of technology too low. All of this does not contribute to improved product quality, variety, and grade, making it impossible for them to realize economies of scale, and results in a waste of resources. This is an important cause for low economic efficiency at present.

Third, economic development shows great fluctuations. In the past 10 years, two great fluctuations have occurred. From the latter half of 1984 to the first half of 1985, a double expansion occurred in the need for capital investment and in the need for consumer goods, which brought on inflation. In the latter half of 1988, the economy again became overheated, supply and demand were even more critical, the economy also took a serious turn for the worse, and the inflation rate shot up to 20 percent. A control and rectification policy was adopted. Through the adjustment and control macroeconomic policy implemented since last year, industrial production has risen steadily, with the first half of 1991 showing a normal growth of 13.5 percent. At the same time, inflation was also brought under control, the rise in

commodity prices being only 2.1 percent in 1990, and 1.8 percent for the first half of 1991. However, such great fluctuations do exert an indirect effect on the cost of living, and creates a waste of society's resources.

While policy causes many of these problems, the system also contributes to them. They require deeper economic reform and a more perfect macroeconomic policy to gradually resolve them.

Not long ago, the CPC prepared China's Eighth Five-Year Plan and a Ten-Year Development Program, both of which set the development strategies, goals, and important policies to follow for the next five to 10 years.

**Strategy goals.** In the early and middle 80's, China proposed walking in two steps to develop the national economy. This was further expanded to a three step strategy. That is, within a roughly 10-year period, the first step was expected to turn over or double the gross national product over the 1980 figure, which should meet the food needs of the people. In the second step which would take another 10 years, to the end of the century, the gross national product should twice double the 1980 figure, which should allow the people a comfortable style of living. In the third step which would take several more decades, to arrive in the middle of the next century, the gross national product per capita, on the basis of the twice doubled gross national product, would be at the level of that in a moderately prosperous nation.

Following the efforts of the past 10 years under direction of the reform and opening policies, the development goal for the first step was realized two years ahead of time. Under such circumstances, there would be even more initiative to carry out the second doubling, for timewise, the leeway allows it 12 years to be achieved. Such a goal is possible, as long as annual growth of the gross national product is maintained at 6 percent. Therefore, from the standpoint of time, it is very possible to realize, even more quickly, the second doubling of the gross national product within the next 10 years.

**Development policy:** Based on previous 10 years experience, and the problems facing economic development in China at present, any development policy for the future must focus its attention in the following areas and handle them well.

First is to adopt effective measures that will balance overall, the total needs of supply and demand, to realize continuous, steady, and coordinated development in the national economy. To realize a balance in supply and demand, controlling the scope of fixed assets investment is important, so that it will correspond with the state's strength. It is also important to control the rapid growth of consumption funds so spending will correspond with the growth in labor productivity. At the same time, it is also necessary to control the scope of credit allowed and the volume of currency issued.

Second is to consider the preference setup as an important part of economic development. First, preferences should be given to developing basic industrial sectors

such as agriculture, energy, raw materials, communications and transportation etc., and take various measures to raise funds for developing these basic sectors, so that by the end of the century, these basic industrial sectors will be meeting the development needs of the national economy. Next, the scope of the processing industry must be appropriately curtailed, and its inner makeup adjusted in such a way as to stimulate the upgrading of its technology structure, so that the processing industry may develop in the direction of added value. Special attention must be paid to active support for development of new and better technologies, and use to transform traditional industries.

Third the urgent task for economic development in China in the 90's is to increase economic efficiency and improve large- and medium-size enterprises in the nation. Large- and medium-size enterprises are the pillars of China's national economy, and they represent and reflect the technical level and strength of China's industry. In the future, effective measures must be taken, in the areas of system and policy, to energize large- and mid-size enterprises. Therefore the relationship between the state and the enterprise must be smoothed out for these enterprises to be truly responsible, to operate independently, and to become stronger in market competition. It is also necessary to create an environment that allows large- and mid-size enterprises to compete with other enterprises on an equal footing, to change the relatively heavier taxes that are now levied on large- and mid-size enterprises, and to correct the impractical situation concerning their right to make business decisions.

**The system environment and opening up:** In the 90's, we expect to continue the policy of reform and opening up, to create an even more favorable environment for development than the one in the 80's. Under the Eighth Five-Year Plan and the 10-Year Program, it has already been determined that after another 10 years of effort, the preliminary stages of a new system of a socialist planned commodity economy will be established. Further steps need to be taken to reduce the proportion of mandatory planning and broaden guidance planning, and develop the role of market regulation. In this connection, further price reform is needed to allow products to be market-priced. Through reasonable price comparisons and the guidance of macroeconomic planning that allows reasonable allocation of resources, the further development and perfecting of a consumer market, production materials market, financial market, technology market, labor market etc., will be possible.

At the same time, we should further expand opening to the outside. Special economic zones and the various open zones should be improved through use of preferential policies to attract foreign capital, technology, and management expertise. This will help support development of export industries that generate foreign exchange, improve the quality and variety of goods for export, and expand technological and economic exchanges with foreign countries. We believe that under the guidance of a correct reform and opening policy, China's economic

development goals in the 90's will be realized on time, and will establish a firm foundation for China's economic renaissance in the 90's.

#### Quantity Targets for 'Comfortable' Living Defined

92CE04764 Beijing ZHONGGUO TONGJI YUAN BAO in Chinese 7 May 92 p 1

[Article by Li Jianlin]

[Text] "Comfortable" living is the goal that China is striving to achieve by the end of this century. To describe this goal clearly enough to be well understood and make it genuinely operational, the State Statistics Bureau has just promulgated their most recent research report and proposed quantity targets for "comfortable" living.

Due to historical reasons and uneven economical and social development, the disparity between urban and rural areas in China is rather great, and our economy has a dual structure. Thus the State Statistics Bureau organized the Research Institute of Statistical Science, Urban Investigation Team, and Rural Investigation Team respectively to draft three sets of comfortable living standards for the nation, urban, and rural areas.

**Urban comfortable living standards.** The comfortable living standards proposed by the Urban Investigation Team include 15 targets: The per capita gross national product for urban residents should be 5,000 yuan, the proportion of the added value of the tertiary industry should account for 40 percent of GNP, per capita residential area must be 8-10 square meters, two rooms for a every three-people, and an residential equipment rate of 60 percent, per capita income should be 2,380 yuan, Engel's coefficient must be 44-46 percent, the per capita daily intake of calories should be 2,600, protein 80 grams, and fat 75 grams. Average life expectancy should be 70 years, there should be compulsory education for nine-, ears, high school admission rate should be 90 percent, a newspaper a day for every three literate persons, a five to five and half work day week with a two week vacation per year, nine square meter gardening space per capita, and the Gini coefficient should be 0.26-0.30. Based on the above standards, the research report has also evaluated the living standards of urban residents in 1990. The results show that the comprehensive score of living standards for urban residents in 1990 is 65.16. That is to say, we have already progressed two-thirds of the way toward our goal of comfortable living in urban areas.

**Rural comfortable living standards.** Of the rural comfortable living targets, the key target is the rural comfortable living line, which uses per capita net income of peasants. The research report of the Rural Investigation Team draws the following picture of comfortable living: Per capita net income will reach 1,100 yuan, income allocation will be reasonable, the Gini coefficient will be between 0.3-0.4, the consumption structure will considerably improve, and the Engel's coefficient will be below 50 percent; basic nutritional needs will be met, and the daily intake of protein higher than 75 grams, the per

capita expenses for clothing more than 20 yuan, the proportion of residential areas with brick or reinforced concrete structures higher than 80 percent, the rate of TV set popularization higher than 70 percent, the proportion of income spent on cultural and recreational activities higher than 10 percent, the average life expectancy higher than 70 years, a minimum average of eight years of education for the labor force, the proportion of the population with sanitation and safe drinking water higher than 90 percent, the proportion of the households with electricity higher than 95 percent, the proportion of the villages with paved roads higher than 85 percent, and the proportion of administrative villages with telephone service higher than 70 percent, the proportion of those enjoying five guarantees higher than 90 percent, and the rate of criminal cases lower than five in 10,000. The research report pointed out that on the whole the comprehensive score of the rural living standards in 1990 in our country is 50.6, which indicates that the task of realizing comfortable living in rural areas in the next 10 years is rather arduous.

**Comfortable living standards for the whole country.** Based on the comfortable living standards for urban and rural areas, and using the method of weighed average, the Chinese Comfortable Living Standards Topic Group of the State Statistics Bureau has proposed comfortable living standards for the whole country: a per capita gross national product of 2,400 yuan; output value of tertiary industry accounting for 36 percent of GNP; a Gini coefficient below 0.30-0.35; the proportion of impoverished population below 5 percent; a per capita annual income of 1,400 yuan; a per capita residential area with brick or reinforced concrete structures of 15.5 square meters; per capita daily intake of calories should be 2,600, and protein 75 grams; the Engel's coefficient will be between 47-49 percent; the proportion of per capita expense on educational, cultural and recreational activities will be 16 percent; average life expectancy should be 70 years; and a high school admission rate of 55-60 percent. The report completed an analysis of the progress in realizing comfortable living in China, which showed that the degree of approaching a comfortable living for the whole country in 1990 was 57.7 percent. In the next 10 years, because the base percentage will increase, therefore an increase of even one percent will grow more and more difficult. Moreover, due to the uneven development of urban and rural areas, and that of coastal and inland areas or remote provinces, to realize our goal of comfortable living in the whole country will require arduous effort.

To our understanding, since the goal of comfortable living was proposed in 1980 there has not yet been any complete set of targets to examine it. These three sets of targets for comfortable living were proposed on the basis of the many special investigations and discussions of the specialists or organized by the three topic groups in the State Statistics Bureau. According to evaluations of the specialists, these three sets of targets are not divorced from the reality of China's situation, but are very operational and can be used for international comparisons.

The establishment of these sets of standards is of great significance in realizing the goal of comfortable living in China by the end of this century.

Note: Engel's Coefficient is the ratio of expenses on food to living expenses. According to Engel's law, as living standards going up, the Engel's coefficient tends to decrease.

Gini coefficient is an internationally used index to reflect the differences between income of residents.

Residential equipment rate is the ratio of the living space with facilities such as private running water, kitchen and toilet, to the whole living space.

Specific descriptions of comfortable living standards for the nation, urban, and rural areas will be published on the second page of the next issue.

## FINANCE, BANKING

### Shenyang's Brisk Enterprise Bond Markets

92C104.04 Beijing JINRONG SHIBAO in China  
1 Mar 92 p 1

[Article by Cui Runkong (1308 3387 6767) and Yang Chunyan (2799 2504 3601). "Shenyang's Enterprise Bond Markets Continue To Flourish"]

[Text] Since Shenyang City began public issues of enterprise bonds in 1985, its enterprise bond markets have developed steadily and soundly to a considerable size. Shenyang has now issued 3.1 billion yuan worth of enterprise bonds and short-term enterprise finance bonds, and is one of the cities in China that has issued the most bonds. Shenyang has now established 17 non-financial institutions to operate its securities business, set up 17 securities trade sites and 96 securities sale agencies, and carried out 3 billion yuan worth of negotiable securities transactions. It has over 300 personnel working in securities, and established the Shenyang Securities Association in 1990. It will issue more than 1 billion yuan worth of enterprise bonds and short-term enterprise finance bonds in 1992, as well as allowing about 10 enterprises to issue internal stocks on an experimental basis.

Shenyang is a long-standing industrial base with almost 1 million yuan worth of fixed assets. By the 80's, while some of its production equipment was obsolescent, the net value of its fixed assets was only one-half of their original value, and its heavy technological upgrading task gave it a fund demand of more than 700 million yuan a year. Planned bank fund supply fell far short of this demand. Faced with this fund shortage, several collective enterprises that had been unable to obtain technological upgrading funds broke new ground in 1983 and 1984 by issuing bonds within enterprises to raise funds. Their remarkable success aroused attention in all circles so that a stream of large and mid-sized enterprises followed their example, and went beyond enterprises by offering public bond issues to raise funds. These bond issues provided vigorous fund backing for enterprises to

upgrade their technology and expand their production, while offering other investment options to the public. This played the following positive roles in deepening banking reform:

1. It opened up direct financing channels, speeded up technological upgrading, and met funding needs for national economic development. Bond market development helped enterprises break free from relying on banks alone for funds, giving them one more means of financing.
2. It met investors' demands, by offering new investment options for surplus cash in the hands of the public. Many enterprise bond investors were individuals. The emergence of enterprise bond markets enabled some surplus cash to be invested in them, directly changed production and construction funding, made the savings deposit growth rate more rational, and diversified financial capital.
3. It helped enterprises to enhance their management and administration and improve their fund use efficiency. While enterprises often used to fall behind in their payments on bank loans, fundraising through bonds has forced fundraising enterprises to pay attention to use efficiency and repayment capability, which has strengthened enterprise self-regulation forces.

The key to the vigorous growth of Shenyang's enterprise bond markets is that the Shenyang branch of the People's Bank of China (PBOC) persisted in planned and step-by-step development of bond markets. It made rational plans for the scope of bond issues based on Shenyang's fund demand, adjusted as necessary its setting of bond prices to constantly changing market supply and demand relations, and based its issuing methods on degree of market development, by flexibly combining long- with short-term bonds, public with private fundraising, and commissioned, assisted, and contracted sale. Moreover, it enabled demand to grow in line with market standardization, by improving all banking laws and regulations. Steadily, handling enterprise bond examination and approval procedures strictly, strengthening enterprise bond risk control, and managing well the structure of all types of securities business at all levels.

The Shenyang branch of the PBOC recently made the first successful attempt in China to issue bonds through bidding with the 5-year enterprise bonds for the Lantingtun Tower. This will play a positive role in adjusting the market structure of Shenyang's enterprise bond issues, invigorating fund circulation, and broadening funding channels. Moreover, in order to spur enterprise bond market development in Northeast China, Shenyang is preparing to build the Shenyang Money Market Stock Exchange Center, for which it is using the pattern of mostly enterprise bond issue and transfer supplemented by national treasury bond transaction, and mostly Liaoning Province and Northeast China supplemented by other parts of China, to introduce bond issue market forces of competitive price bidding. This will create a climate of fair competition for investors, make

use of Shenyang's economic radiation in Northeast China, provide a centralized trading site for Liaoning and Northeast China's securities agencies, and promote regional economic growth.

## AGRICULTURE

**Higher Taxes, Freed Prices for Grain Discouraged**  
*ON FARMING PROBLEMS OF AGRICULTURAL ECONOMY*  
(in Chinese No 4, 23 Apr 92 pp 41-42)

[Article by Han Zhirong (1781-1807-1837), Research Institute of Commodity Prices Under the State Administration of Commodity Prices "Grain Price Reform Cannot Be Carried Out Through Higher Taxes and Freed Prices"]

[Text] In the study of grain prices in recent years, there is thought for higher taxes and freed prices that advocates increasing the grain tax from the present 11 billion kg to 30 billion kg, followed by freeing grain prices. The increased tax burden on peasants would be compensated by allowing them to sell contract grain at negotiated sale prices. Some have argued for trying this out now, the sooner the better, and others advocate its implementation at the end of the Eighth Five-Year Plan. In my view, any idea that grain price reform can be carried out through higher taxes and freed prices, whether in the near term or in the future, cannot be realized for the following three main reasons.

1. Higher taxes and freed prices cannot solve the problem of declining peasant income, and may further restrict peasant income growth. At present, the grain contract price, the market price, and income from grain production are all low or declining. This is a basic problem that grain price reform must solve. Therefore, in any price reform proposal, regardless of the method adopted or the theory advanced, the crux and substance of the issue is whether it can effectively address the problem of raising peasant income. We should not consider any proposal unless it is one that can raise peasants' income. According to my calculation, the higher taxes and freed prices line of thought cannot solve the problem of declining peasant income, and may further jeopardize peasant interests.

At present, of the 50 billion kg of state-procured grain, 11 billion kg represent agricultural taxes, and 19 billion kg contract procurement. In addition, some 60 billion kg are purchased through negotiated sales. According to the higher taxes and freed prices line of thought, if taxes are increased to 30 billion kg, and contract procurement reduced to 20 billion kg, the tax burden on peasants would increase by 19 billion kg, but the 20 billion kg of contract grain can then be sold through negotiated prices. Some comrades estimate that the government can use the added income from higher taxes to buy the 20 billion kg of grain at negotiated prices, and the income accrued to peasants would be more or less equal to that from the contract sale. In my view, if the incomes are more or less the same, then this kind of reform would not make much sense in terms of solving the problem of

## ECONOMIC

decreasing grain price, nor would it be effective in arousing peasant initiative to grow grain. Furthermore, by my calculation, this approach would in fact reduce peasant income. At present, of the three categories of state-procured grain, the contract price is 0.3312 yuan per kg, and the negotiated price 0.8 yuan per kg; proceeding with calculation based on these prices, if higher taxes and fixed prices were put into effect, then peasants' tax burden would be increased by 10.09 billion yuan ( $0.3312 \times 10$ ), but because the contract grain can then be sold at the negotiated price, peasants' income would be increased by 3.38 billion yuan ( $(0.8 - 0.3312) \times 20$ ). Combining the added income and the higher taxes, peasants' net loss comes to 4.7 billion yuan. This is very obvious, because by selling the 30 billion kg of grain in the current contract procurement system, peasants would earn 20.72 billion yuan ( $0.3312 \times 10$ ); after higher taxes and fixed prices, however, they would only earn 16 billion yuan ( $0.8 \times 20$ ), their net income loss amounts to 4.7 billion.

**2. The approach will not contribute to the stability and soundness of the basic rural policy.** In the next 10 years, grain production development will pass through two difficult stages, and the more crucial one is the overall trend in the grain supply and demand relationship. To ensure that grain production will continue to develop steadily, the important conditions to be met are the stable and sound implementations of various basic policies that benefit peasants. In terms of the policy on pricing, the goal of further reform is to pursue a stable and sound policy to reduce peasants' burdens, to gradually change the policy of controlling contract prices on agricultural products to one of supporting their prices, and to ensure that the basic rural policy provide even more benefits to peasants. China has over the long term carried out the policy of stabilizing and reducing peasants' burdens, and this has had a positive impact on agriculture, particularly on grain production. This policy should continue to be implemented. Today, looking at the agricultural tax alone, the peasants' burden is not heavy, but when that tax is increased to 30 billion kg, or 1.7 times higher than today's rate, it certainly would add to their burdens. Besides, in addition to the tax, other demands on peasants today are excessive, despite repeated attempts to eliminate them. In 1991, the total of all categories of peasants' burdens reached 49.54 billion yuan, or 5.6 times the 1990 agricultural tax of 8.785 billion yuan (which included taxes on land deeds and rentals). It would be inappropriate to raise the agricultural tax under circumstances where peasants' burdens are already excessive. For a long period of time, our agricultural commodity procurement pricing policy has been a policy of controlled prices. To support the country's socialist construction, controlled agricultural commodity prices were not increased if at all possible, and most state-set prices were lower than market prices. After 12 years of reform, however, some agricultural commodity procurement prices have been raised by a considerable margin compared to the past, and most categories of commodity prices are now set to match the

market prices. In the last two years, only the difference between the grain contract price and the market price remained relatively large. But in the last two years, with grain market prices declining, the government has implemented a grain reserve system that uses the objective of a guaranteed price for procurement to stop the grain market price decline. The objective was also to alter the pattern of market price increases linked to tax price increases, and by reducing the role played by tax price increases, and further bringing about an equilibrium between tax and market prices, to ensure that all grain will be sold at market prices and to enhance the possibility of peasants earning more income. Therefore, in such an evolving situation and before it leads to any definite results, we should not resort to higher taxes which reduce peasants' income.

**3. The reasons for increasing agricultural tax are inadequate.** In terms of the higher tax theory and in point of fact, I consider the proposal to be inadequate. Some comrades believe that by raising agricultural tax to 30 billion kg "ensures the government will be guaranteed supply of a fixed quantity of grain, which is a prior condition for thoroughly freeing prices for all producers of grain." It is difficult to defend this line of reasoning. In the course of reform, it is certainly correct to say that the government should be assured of supply of a fixed quantity of grain, but that does not mean the government needs to adopt higher taxes, nor should government consider raising taxes a precondition to freeing prices for grain producers. Viewed from China's practice, the crux of government not being able to smoothly obtain a fixed quantity of grain is the problem of price. If the price is reasonable, the grain can also be procured by contract. When the market price is higher than the contract or negotiated price, peasants would naturally rather sell grain at the market price, but when the market price is lower than the negotiated price, they would rather sell it to the government at the negotiated price, and when the market price is lower than the higher over contract quota price, peasants would certainly use their initiative to sell at the latter price. Raising taxes and freeing grain prices bear no necessary relationship to each other. Whether grain prices can be freed under government's macro control depends on condition of supply and demand as well as the greater or lesser degree of macro control, whether grain prices are reasonable and how well the market is developed depends on the degree of coordination between planning as well as market adjustments. If the situation of grain supply is good, government's coordination strong and effective, price reasonable, development of the market system relatively good, vitality instead of disorder follows the reform, then grain prices can be freed without raising taxes, and 30 billion kg of grain can be successfully procured.

One practical basis for advocating raising taxes to 30 billion kg is to ensure stable grain prices for residents of cities and towns. At present, the sales price of grain rations paid by urban residents are low compared to the contract procurement and sale prices. It was argued that

By raising taxes, one could ensure grain supply without raising the burden on urban residents or increasing financial subsidy on the part of government. This was a basic idea of the long-term grain price support policy. In my view, this basic idea should be taken apart and examined. On the one hand, peasant income is lower than income of urban residents. There is no reason, and no need to provide cheap grain to urban residents. On the other hand, urban residents have two hands to work they have the ability to solve the problem of increased food costs, and do not need subsidies. Otherwise, does it mean that urban people cannot even take care of feeding themselves? When the grain contract price is low, the state sales price is even lower. The problem can be solved by raising the contract and sale prices. But raising taxes to preserve the continuation of low sale price not only will prevent the further rationalization of the grain price system, but also create a new contradiction through higher taxes. One goal of the grain price reform is to rationalize the grain ration prices for urban residents, and when prices for them are rationalized, there is certainly no further need to raise taxes.

In conclusion, the above various points can be summarized in one, namely, the higher taxes and fixed prices idea cannot solve the problem of declining grain price, but will reduce peasant income, and this is the basic reason why this idea cannot work. Any grain price reform, if it is totally new and yields no benefits to peasants, then it will not be welcome by the peasants, and cannot arouse their production initiative, but on the contrary can be a bad influence on reform itself.

#### **State Statistical Bureau on Grain Supply, Demand**

92C FD4094 Beijing ZHONGGUO NONGJI LIN JINGJI CHINA'S RURAL ECONOMY in Chinese No. 3  
20 Mar 92 pp 33-36, 42

#### **[Excerpt] (passage omitted) II. The Grain Supply and Demand Situation and Development Trends**

Since the founding of the People's Republic, grain consumption has continuously increased along with the development of agricultural production and the increase in living standards among urban and rural residents. Even though consumption levels are relatively low, long-term shortages are still an essential feature of grain supply and demand. In the 30-year period since the Third Plenary Session of the party's 11th Central Committee, China's per capita grain consumption has been less than 200 kilograms, and a low-level balance between production and marketing has been maintained primarily through controlling consumption and increasing imports. It was only at the beginning of the Sixth Five-Year Plan that grain production gradually reached about 400 million tons, and only then did the contradiction in grain supply and demand begin to be resolved. But because of the impact of uneven production development and the pressures of a growing population, the contradiction in grain supply and demand has still not been fundamentally solved.

#### **A. Grain is still the primary food source and source of nutrition**

At present, food quality in China is still relatively low. At the end of the 1980s, only 10 percent of the calories and protein consumed daily by urban and rural residents each year was from animal products. This amount was 40 percent and 70 percent less, respectively, than the average worldwide level in the early 1980s, and was lower than in Brazil, Mexico, Egypt and other developing countries. Improvement in food quality requires a relatively large increase in the capacity to transform grain into animal-based food, and this kind of demand potential is still quite high.

During the Seventh Five-Year Plan, despite changes in the food composition of China's urban and rural residents, there was no relatively large change in terms of grain accounting for the main portion of food consumed. In terms of nutritional composition, according to nutrition surveys of urban and rural residents, the calories obtained directly from grain as a proportion of total calories was more than 50 percent in cities and more than 80 percent in rural areas. Calories obtained from grain and derivative food as a proportion of total calories was about 70 percent in cities and about 80 percent in rural areas. In terms of protein intake, the proportion of protein obtained from grain and derivative food remained at more than 60 percent in the cities and about 85 percent in rural areas. As for staple food substitutes, even though China's output of marine products increased relatively quickly during the Seventh Five-Year Plan, the per capita amount in 1990 was only 6.3 kilograms. Even though production of relatively low grain-consuming lamb developed relatively quickly, the per capita amount was only 0.9 kilograms. Main forest products consumed—walnuts, Chinese chestnuts and dried bamboo shoots—had a per capita amount of only 0.1 kilograms. Substitute food accounted for only a very small proportion of total food consumption. As for feed grain consumption, despite some increase in consumption of processed meal, chaff, bran and other feed grains, the proportion of unprocessed food grains in concentrated feed has basically remained at more than 60 percent. The amount of unprocessed food grain used in feed grain has not decreased as a result of the increase in substitute feeds, but has increased simultaneously, and there has been no significant change in the status of unprocessed food grain as the major component of feed. As for future trends, as income increases, the proportional consumption of meat, eggs, dairy products, fish and so forth will progressively increase in the Chinese diet. But because of the influence of traditional culture, lifestyle and so forth, the Chinese will maintain a primarily vegetarian diet for quite some time. At present, among members of upper-income households in China's cities and towns, the per capita consumption of meat, eggs, dairy products, fish and so forth only accounts for 10 percent of total food consumption, while the proportion of grain and vegetables is 67 percent. In rural households with a per capita net income of more than 1,000 yuan, the per capita consumption of meat, eggs,

## ECONOMIC

dairy products, fish and so forth is already approaching the level of urban middle-income households, but the per capita consumption of unprocessed food grain has remained at the relatively high level of more than 270 kilograms. Analysis has shown that despite the relatively large expansion in food content and improvements in food quality, the traditional "grain" mentality must be progressively transformed into a complete "food" mentality, even a "broad food" mentality. But the status of grain as the primary food component and the primary source of nutrition has not changed, and will not change significantly for quite a long time.

#### B. Offsetting poor harvests with bumper harvests and offsetting shortages with surpluses are still the essential methods of maintaining a balance between production and demand

Since the early 1980s, even though grain production has developed relatively quickly, supply has remained unstable because of the impact of production fluctuations. Achieving basic stability in grain output and demand still means relying on surplus grain from bumper harvest years to offset shortages in years with poor harvests, and on regions with surpluses to compensate for regions with shortages. During the Sixth and Seventh Five-Year Plans, China had a total of six years in which grain output fell short of demand, and shortages occurred in most of those years. During the Seventh Five-Year Plan, the accumulated shortage of grain in the first three years was 32.66 million tons, and the balance between production and demand during this period was maintained primarily by tapping reserves and increasing imports. In 1986 and 1988, years with relatively low output, reserves dropped by 20.52 million tons and 8.84 million tons respectively, and in 1987 and 1988 average net imports exceeded 16 million tons. In 1989, grain output recovered to the 1984 level, but in half of the country's provinces, output still fell short of demand and the gap reached 24.1 million tons. These provinces bought 26 million tons of grain from other provinces that year. Nineteen ninety was the kind of bumper harvest year that China has not seen in decades, but despite the fact that grain output has increased by a large margin, output still fell short of demand in one-third of the country's provinces, and the gap reached 16.74 million tons. To maintain a balance between production and demand, these provinces bought 12.05 million tons of grain from other provinces that year, and some of them relied on imports to compensate.

#### C. Grain consumption is still increasing relatively quickly

As for the consumption situation during the Seventh Five-Year Plan, the per capita direct consumption of food grain tended to stabilize as people's living standards increased and consumption patterns changed. Nevertheless, because China's population has increased by an average of more than 16 million people per year during the Seventh Five-Year Plan, the absolute amount of food grain during this period will increase at an average annual rate of about 4 million tons. At the same time,

because of the impact of increasing income levels, the demand for animal products among urban and rural residents increased, causing an average annual increase in food grain consumption of more than 1.5 million tons. All in all, China's grain consumption in society increased by an average of more than 6 million tons annually during the Seventh Five-Year Plan. As for the development trends during the Eighth Five-Year Plan, in this period, China's population of women of childbearing age has increased markedly, which means that the peak childbirth period has arrived. According to projections, during the Eighth Five-Year Plan, China's population will increase by an average of 16.52 million people annually, and based on actual per capita consumption of food grain during the Seventh Five-Year Plan, during the Eighth Five-Year Plan consumption of food grain alone among China's urban and rural residents will increase by an average of more than 4 million tons annually. At the same time, as the income level of urban and rural residents has increased and grain consumption patterns have been further transformed, China's output of animal products will still maintain an appropriate rate of increase. During the Seventh Five-Year Plan, China's total output of meat products increased by more than 9 million tons, an average rate of 1.86 million tons per year. Calculating based on the actual one-to-three meat-to-grain ratio, the average annual increase in food grain consumption in the future will be about 3 million tons, and if food, brewing and other industries that increase grain use are taken into account, grain consumption in society is projected to reach close to 450 million tons in 1995, an average annual increase of 7.5 million tons.

#### D. The task of achieving long-term stability in grain supply and demand is quite arduous

Since the founding of the People's Republic, to develop agriculture, particularly grain production, China has invested large amounts of labor power, material resources and financial resources to carry out large-scale construction of basic rural water conservancy works and improve production conditions, has strived to increase production of chemical fertilizers and other agricultural materials, and has continually raised the level of agricultural mechanization and the level of scientific farming. Through long and arduous effort, by the Seventh Five-Year Plan, a stable total production capacity of 405 million tons was achieved. In 1990, tractor plowed farmland nationwide reached 724 million mu, accounting for more than 50 percent of cultivated acreage. Total farm machinery power was 287 million horsepower, each mu of cultivated acreage had 200 horsepower of farm machinery, and the use of chemical fertilizer reached 63 kilograms per mu. But it should be noted that increasing total production capacity requires going through a rather long period of investment accumulation, and each new step upward for grain requires a certain number of years of effort. According to analysis of China's agricultural investment and output, every 1 million tons of grain output requires the use of about 3 million tons of chemical fertilizer, 90 million horsepower of farm

machinery, 1.3 million tons of diesel fuel and 10 billion kilowatts of electricity. From 1986, total grain output nationwide grew steadily from 300 million tons to the benchmark levels of 350 million tons, 300 million tons and 400 million tons, which took seven years, five years, four years and seven years respectively. Consequently, for grain production to reach a stable level of 450 million tons, effort must be made to further increase the consolidation of production capacity. This is a very arduous task.

### III. The Basic Strategy for Stable Development of Grain Production

#### A. Ensuring a stable increase in grain should be seen as a national policy

The surpluses and shortages that occur from year to year due to fluctuations in grain production are difficult to avoid, but from the standpoint of the entire nationwide situation and long-term development, the stable development of grain production must be maintained. Based on more than 40 years of experience in grain production development and the rate of increase in per mu output, a certain amount of cultivated acreage must be guaranteed to maintain a stable increase in grain production. If reduction in cultivated acreage and a decrease in production are used to alleviate periodic difficulties in marketing grain, it will only mean going down the same old disastrous road of cutting when there is too much and scrambling when there is not enough, and it will be difficult to establish a normal production and demand mechanism and will increase the negative effects of fluctuations caused by reduced production. The several years of fluctuations in grain production caused by the drastic reduction in acreage devoted to grain cultivation in 1985 provides a serious lesson. Thereafter, despite several price increases, the acreage devoted to grain cultivation did not recover to the 1984 level until 1990. Because China's grain production is mainly carried out by individual households, it is difficult to achieve substantial results, which, added to the low level of organization and the slow response to government regulatory measures, requires several years of effort to recover once grain production drops off. Since the government raised the purchase price of cash crops, farmers' earnings from growing cash crops has clearly increased, and has stimulated the development of cash crops. At present, the tendency to decrease acreage devoted to grain and increase the acreage devoted to cash crops can already be seen in farmers' cultivation plans. Under these circumstances, overall regulatory measures should emphasize stabilizing the acreage devoted to grain and avoiding the relatively large drop-offs in grain production. If from top to bottom plans are made to reduce acreage devoted to grain, the 1985 situation of large-scale decreases in production can recur. The leading ideology of stabilizing grain production should not be relaxed one iota.

#### B. Stabilizing acreage and focusing on per unit area yield are the basic paths to stabilizing grain production

Along with economic development and increases in people's living standards, the demand for grain, cotton, oil, sugar and other major agricultural products will increase, and the contradiction of insufficient cultivated land will be further intensified. As a result, the development of either grain production or cash crop production must be founded on the basis of increased per mu output. Cultivation patterns must also be relatively stable, and the expansion of cultivated acreage must be solved primarily by increasing acreage with multiple interplanting. Based on calculations of the real rate of growth in per mu grain yield during the Seventh Five-Year Plan, to reach the new benchmark of 450 million tons in grain output in 1995, the acreage devoted to grain should stabilize at about 1.68 billion mu, equivalent to the acreage devoted to grain in 1989. Acreage devoted to cotton, oil, sugar, tobacco and other cash crops must also be relatively stable to maintain the foundation of balanced, stable agricultural production. To adapt to increases in consumption levels and solve the structural contradiction between supply and demand, grain production should, under the premise of maintaining a stable increase in output, make appropriate adjustments to regional arrangements and structures of crop varieties. Provinces with grain shortages should also, while putting their main effort into per unit area yield, appropriately expand the acreage devoted to grain, and work step by step toward self-sufficiency in grain. The northern region should strive to expand barley and wheat production and appropriately develop rice paddies and production of grains other than wheat and rice, and the southern region should speed up wheat and corn production and appropriately increase production of japonica rice and other high-quality rice, so that grain production can adjust to consumption demands not only in terms of output but variety structure and quality as well.

#### C. Streamline the circulation system and maintain stable supply and demand

To maintain stable grain supply and demand, the state should speed up construction of warehouse space, strengthen overall control capabilities and effectively handle offsetting poor harvests with bumper harvests and shortages with surpluses. At the same time, it should also speed up the pace of reform in the area of circulation. It should be recognized that grain is not only an important strategic resource, but also one kind of important commodity. At the same time that management planning is strengthened, the laws of pricing should be fully utilized to effectively handle grain circulation. The first thing is to effectively carry out agricultural product pricing reforms, gradually bring about prices that truly reflect product values, and charge higher prices for better quality, and areas that produce and market should implement differential pricing according to location and season so that pricing can be even more effective in determining production and guiding consumption and appropriate reserves. The second thing is to speed up the pace of constructing grain markets and establish a market operations mechanism that uses wholesale markets as the primary source, with collective markets as

auxiliaries, to enhance circulation and form an appropriate mechanism for grain circulation from production to consumption and avoid the effects caused by fluctuations in production.

### **Ministry Issues Regulations on Costs to Peasants**

92C ED4744 Beijing NONGMIN RIBAO in Chinese  
29 Apr 92 p 3

[Text] To successfully implement the "Regulations on Peasant Costs and Labor Management," the Ministry of Agriculture recently issued a circular regarding problems implementing this "Regulation" at various local levels.

The circular points out: 1. Concerning the proportional limit of peasants' submitting costs. The "Regulation" stipulates that the village retaining costs and township planning costs cannot exceed 5 percent of the previous year's peasants' per capita net income. This figure is calculated from the average income level, based on the overall statistical figure and sampling investigation, and takes into consideration the present peasants' real income level, consumption level and economic bearing ability. Thus, this proportion is suitable for use at the national level. Leading comrades of the State Council have repeatedly emphasized that we must resolutely carry out this proportional limit. Each locality, when adopting and implementing these detailed steps, must strictly enforce the rules of this "Regulation." The concept of "submitting costs determined by income levels" should be established. The appropriate proportional limit for the village retaining and township planning costs cannot be increased at will. In economically developed areas, this proportional limit may be properly raised with the permission of the province, autonomous region, or municipalities under the Central Government.

2. Concerning the concept of peasant per capita net income and the calculation of this formula "Peasant per capita net income" as defined in the "Regulation" refers to the "peasant per capita income" in the rural economic profits distribution statistical results table compiled by the Ministry of Agriculture under the auspices of the State Statistical Bureau.

3. Concerning the problems of the village retaining costs and township planning costs for the managers of individual industry and business, and private-owned enterprises. Because these managers in the course of doing business enjoy the benefits of social public services and environmental facilities, etc., provided by collective economic organizations in their business locations, these managers should submit a certain amount of payment costs to the collective economic organizations according to the principles of balanced rights and obligations. The submitting cost standard should be based on the managers' real economic income and decided by the collective economic organization membership committee or membership representative committee in the business locations.

4. Concerning the problems of the township planning budget and labor use plan decided by the township

people's government of the collective economic organizations. Because the township planning fund is owned by all peasants of the collective economic organizations, and belong to collective funds, when deciding the township planning budget, the township people's government should discuss it with the township collective economic organizations. Labor service is related to the labor arrangement made by the township collective economic organizations; therefore, the township people's government should discuss all problems involved with these organizations when deciding the labor use plan. In Article No. 16 and No. 21 of the "Regulation," "to discuss" means to converse together, and talk things over.

5. Concerning management problems with the township planning costs. Article 19 of the "Regulation" stipulates "The township planning fund is owned by all peasants of the collective economic organizations. It should be mainly used for the public welfare business run by the locality. The nature and usage of collective ownership for the township planning fund cannot be altered or changed." Section No. 2 of Article 3 in the "Regulation" further stipulates "The township people's government is in charge of supervising and managing the work of the peasants. The township economic management department is responsible for the daily work."

In addition, when formulating the detailed implementation rules for the "Regulation," local officials should place the controlling of the burden of society, and punishing of violators of the "Regulation" in an important position of the supervising and managing task.

### **Rural Incomes Rise in Hubei**

92C ED4914 Beijing ZHONGGUO SHEHUI BAO in Chinese 24 Apr 92 p 3

[Article by Tang Xubin (0781 4872 2430) and Li Xinpeng (2621 2430 1627) "Farmer Income Structure Steadily Transforms: Analysis of a Fixed-Point Study of 1,000 Farmers in Hubei"]

[Text] According to a follow-up on a fixed observation study of 1,000 farmers in Hubei by the Hubei Provincial branch of the China Agricultural Bank, in 1991 the aggregate income of these 1,000 families reached 5.087 million yuan, an increase of 320,000 yuan or 6.7 percent over 1990. Farmers' per capita net income reached 610 yuan, an increase of 25 yuan or four percent over 1990. Analyzing the income structure of these 1,000 farm families, we can see that, because of continuing rural reform and adjustment of rural industrial structure, the structure of farm income is steadily transforming.

Farmers are getting more income from village and team collectives, and town and township enterprises. In recent years, rural reform, of which the main element is perfecting the dual management system, has poured new vitality into the development of the rural collective economy. Collective enterprises in villages have recovered and developed. A group of rural enterprises in the crop industry and agricultural development projects

brought more and more economic support and real benefits to farmers. In 1991, these 1,000 farm families derived 6.8 percent more in economic income from rural collectives than they did in 1990. In 1991, these farmers received 317,000 yuan from village enterprises, an increase of 21.9 percent over 1990. Income received by farm families from various kinds of combined economic undertakings grew even more, almost doubling between 1990 and 1991.

As far as family-managed businesses are concerned, the proportion of nonagricultural production income has risen markedly. In the last few years, the conscientious implementation of various rural policies of the party and the government, and adjustments in the makeup of rural industry brought about and gave direction to a change in the mix of businesses managed by farm families. A large amount of surplus rural labor moved to nonagricultural industries. In 1991, when agricultural production declined, many farmers avoided losing income by relying on supplementing agricultural work with industry, sideline industries, and commerce. These 1,000 families earned 4.14 million yuan in income from engaging in family-managed businesses, making it the highest year for income in history. Of this, farmers' income from engaging in diversified and sideline industries reached 1.25 million yuan. Its proportion of income from family-managed businesses increased two percentage points over 1990. Income from engaging in transport and sales of agricultural products and from rural commercial

services reached 500,000 yuan, and its share of income from family-managed businesses increased four percentage points over 1990.

Money income is relatively stable, and constitutes the main part of the farmers' income. In 1991, these 1,000 families, excluding income from savings and loans, had an average money income per family of 3,540 yuan. The money income rate (money income as a proportion of total income) reached 70 percent. This is sufficient to prove that the long-standing pattern in rural areas of self-sufficiency and semi-self-sufficiency production is steadily being replaced by commercial production, and the degree of commercialization of farmers' household businesses is rising, improving the ability of farm families' production to adapt to changes in natural conditions. In 1991, these farmers sold 61 percent of the production value of the grain, cotton and oil-bearing crops they produced, 11 percentage points higher than in 1988. They sold 92 percent of the production value of their diversified production, up nine percent from 1990, and up 38 percent from 1988.

This kind of structural transformation in income reflects a steady turn away from an economic pattern where farm families' incomes come mainly from agriculture, and toward simultaneous dual development of both agricultural and nonagricultural income. The farmers' ability to withstand natural disasters is markedly improved. In a more profound sense, it displays the achievements of rural reform and structural adjustment of industry in the last few years.

## **Regulations Governing Church Organization, Management**

9 XI 1991 SHANGHAI: TIAN HENG JIJIU YUAN  
WIND/ in China No 111, 1 Mar 91, pp 11-12

[Trial Regulations Governing Chinese Christian Churches in all Localities. Adopted Jointly by the Standing Committees of the Two National Christian Organizations on 30 December 1991]

[Text] Editor's note: These regulations were adopted at the fourth joint meeting of the Standing Committees of the Fourth National Committee of Three-Self Patriotic Movement of the Protestant Churches in China and the Second China Christian Council and distributed as a conference document at the Fifth China Christian National Convention. The document was well received by the delegates to the convention and highly appraised by Bishop Ding in his closing speech. It is hoped that the publication of this document will draw the great attention of brothers and sisters nationwide, who will earnestly study and put it into practice. We also hope that, in the course of implementation, all brothers and sisters will put in their concerted efforts to perfect these regulations. The allied Chinese churches now have a set of regulations to follow. Let us join together to give thanks to our Heavenly Father! [end editor's note]

### **Introduction**

Under the merciful guidance of the Lord, our Father churches in the vast parts of China have embarked on the road of alliance. Since 1984, the two Christian organizations or Christian church in over 20 provinces (autonomous regions and municipalities) have formulated their own rules and regulations for trial implementation with the aim to strengthen autonomy and ensure that "everything proceeds in an orderly manner" in the Lord's churches. In 1987, a joint meeting of the Standing Committees of the two national Christian organizations adopted a "Resolution on Promotion of Autonomy and Formulation of Church Rules and Regulations." Accordingly, a "Rules and Regulations Committee" was formed to prompt and help Christian affairs organs in various localities to formulate their own rules and regulations or improve the rules and regulations they had already enacted. Meanwhile, these national regulations were drawn up as a model code to be used for reference by churches in all localities. These regulations are based on the teachings in the Bible, carry forward the historical church tradition, take into account the basic church activities in the whole world as well as the actual situation of contemporary churches in China, and have Chinese characteristics. To meet the current needs, the regulations consist of the following sections: churches, believers, sacraments, holy work, and organization and management of churches and chapels. Because of different historical and denominational backgrounds and the varied state of development of churches in various localities, church affairs organs of various provinces (autonomous regions and municipalities) may, based on these regulations, formulate or revise their respective

regulations or detailed rules for the implementation of these regulations. Individual churches or chapels with marked difference from most other churches in viewpoints and traditions may still proceed with their work in accordance with their own traditions provided that they do not violate the three-self principle. When necessary, local church affairs organs shall give them assistance and coordinate their activities.

### **Churches**

1. The Christian church is an organization composed of congregations who have God's calling to believe in Jesus Christ as the Lord. Christ is the head of the church, and the church is the Body of Christ, the Home of the Lord, and the Temple of the Holy Spirit. The task of the church shall be based on the belief contained in the Bible and the "Apostles' Creed."

2. Joining the fellowship activities of other churches in the world, Chinese churches shall maintain friendly contacts with churches of all other countries and share God's glory with them on an equal footing. At the same time, Chinese churches are independent organizations run by themselves. They shall neither be administratively subordinate to, nor come under the control of any foreign church.

3. Churches in all localities have a dual characteristic. They are spiritual organizations, which shall build up the Body of Christ in accordance with the teachings in the Bible. At the same time, they are domestic social groups in China, and shall abide by the state Constitution, laws, and regulations and follow the government's policies. They shall also support social progress, national construction, and the cause of world peace.

4. Churches (including chapels, the same below) in all localities shall unite believers to seriously observe the church rules and regulations and carry out various holy tasks with one mind according to the self-governing, self-supporting, and self-preaching principle with the support of the pertinent church affairs organs and three-self patriotic movement organizations.

5. Churches in all localities shall give consideration to the different spiritual experiences and needs among believers, respect and accept each other with respect to traditions and rules. They shall neither attack each other nor arbitrarily seek uniformity. In addition, they shall strive to maintain the will of unity as guided by the Holy Spirit.

### **Believers**

1. Anyone longing for salvation and coming to the church to listen to the preaching and attend the service is called a friend in Christ. Only after being baptized can a friend in Christ be registered as the church's formal believer.

2. Believers shall follow the teachings in the Bible, abide by the church regulations, support church work, and participate in church management.

3. Believers shall act as good citizens and fulfill their responsibilities to the state and society.

#### Sacraments

1. The church has two principal sacraments: baptism (immersion) and holy communion (breaking of bread).

2. Any of our friends in Christ who has attended church services for some time (usually not less than a year), wants to accept Jesus Christ as the Savior on his own accord, knows clearly the need for repentance and rebirth, behaves well, observes discipline, and abides by the law may register with the church to attend Bible class to learn the important teachings in the Bible and the duties of believers. After passing a faith examination by holy work personnel, he may be baptized.

3. There are two forms of baptism. Churches at various localities may choose either dabbing (dabbing the head with water) or immersion (totally submerging the body in water) as requested by the person being baptized.

4. Baptized believers may attend the Holy Communion.

5. Holy Communion must be reverent and solemn. Details of the rite may be decided by churches in various localities. A church or chapel may choose one or more ways to conduct this rite.

6. Sacraments shall be held in churches or chapels and administered by holy work personnel. With the agreement of the church, aged and seriously ill believers may receive sacraments at their homes.

#### Holy Work

##### 1. Titles of holy work personnel

Holy work personnel are those church workers who have been ordained to administer sacraments. In line with the Bible and church tradition, the following holy work titles are now adopted by churches in various parts of our country:

Bishop (supervisor)—Bishops may be installed in provinces, municipalities and autonomous regions where conditions permit and their services are needed. Bishops shoulder greater responsibilities as shepherds to the flock but have no special administrative functions.

Ministers (including full-time elders equivalent to ministers, the same below)—Ministers are responsible for all church work. They manage the church, administer sacraments, and shepherd and guide believers.

Teachers (deputy ministers)—Teachers assist ministers in shepherding and guiding believers and managing the church. They may also administer sacraments.

Elders—Elders assist ministers and teachers in managing the church. Their duties and responsibilities are limited to their particular churches and subordinate chapels. Where needed, they may serve as shepherds to guide believers and administer sacraments.

In addition, churches in various localities may have some personnel not ordained administer sacraments.

These personnel are engaged or elected and appointed by the church with the endorsement of the relevant church affairs organs. Their titles are:

Preachers (clergymen)—These are evangelists who have been educated or trained in theology. They may preach and serve as believers' shepherds.

Deacons—These are believers doing church work.

Both holy work personnel and preachers (clergymen) are known as educational and shepherding personnel.

For their own purposes, churches in various localities may adopt any of the above titles in line with their traditions and actual needs.

##### 2. Qualifications for Holy Work Personnel

(A) All holy work personnel, male and female, must meet the requirements set in the Bible. They must (1) have pure faith in Christ and lead a fairly affluent spiritual life, (2) possess good moral character and bear witness to Christ through deeds, (3) have the aspiration to dedicate themselves to Christ and are experienced in serving the church, and (4) enjoy the affection and esteem of most believers.

(B) Holy work personnel must be patriotic and law-abiding, and have a good reputation both inside and outside the church.

(C) Holy work personnel must do well in running the church by keeping to the three-self principle and unite believers to take the road of loving the country and Christ, glorifying God, and benefiting people. They must respect each other in dealing with different beliefs.

The above three requirements also apply to preachers (clergymen).

(D) Bishops must be rather advanced in theological attainment. They must have more than 10 years of service as ministers with rich work experience as shepherds to the flock and enjoy the esteem of believers.

(E) Ministers must have a formal theological education and about three years' church work experience. Teachers must also have a theological education and about two years' church work experience. Those who have studied the Bible and learned theological knowledge by themselves must pass examinations to prove that their theological achievements have reached a certain level.

(F) For elders, theological education is not a must. But they must firmly uphold the true divine principle and have years of experience in church work. To do preaching work, elders must receive necessary training.

##### 3. Ordination Procedures for Holy Work Personnel

(A) Bishops shall be nominated by provincial church affairs organs and approved by the national church affairs organ after consultation between the provincial and national organs.

(B) As for ministers and teachers, those who meet the requirements may submit written applications to the

local church, which shall select qualified applicants. Qualified applicants are then recommended to the provincial church affairs organ by the local church affairs organ or by two ministers. The provincial church affairs organ shall designate three or more ministers to form an ordination group to examine these applicants. For those who are qualified, an ordination rite shall be scheduled.

(C) Those who meet the requirements for elders may submit applications to local church organizations, which shall recommend qualified applicants. The relevant prefectural or city church affairs organ shall designate a three-member ordination group composed of ministers and elders to examine the applicants. An ordination rite shall be scheduled for those who are qualified, and their names submitted to the provincial church affairs organ for the record.

#### 4. Ordination Rites for Holy Work Personnel

(A) Ordination of a bishop requires at least three other bishops, plus ministers of noble character and high prestige to lay hands.

(B) Ordination of a minister requires at least three other ministers to lay hands.

(C) Ordination of an elder requires ministers and other elders—at least three people—to lay hands (one of them must be a minister).

(D) Ordination of holy work titles must be conducted openly and with grandeur in the church. No holy work title shall be given or received privately.

#### Organization and Management of Churches (Chapels)

##### 1. Conditions for Establishment of Churches:

###### (A) Establishment of churches requires:

(1) A relatively large number of believers. (2) An exclusive place for holding services. (3) Full-time or voluntary holy work personnel to shepherd believers. (4) Organizations or preparatory organizations.

###### (B) Establishment of chapels requires:

(1) A certain number of believers. (2) A fixed place for holding service. (3) Designated preachers (not necessarily holy work personnel). (4) Organizations or preparatory organizations.

(C) Church affairs organs in various cities and counties shall give consideration to believers' needs for holding service and make every effort to help establish churches and chapels where the above conditions are met.

##### 2. Establishment of Church and Chapel Organizations

Church and chapel organizations are the administrative organizations of churches and chapels.

Churches shall have church affairs organizations (composed of at least seven members), while chapels shall have chapel affairs group (composed at least three members). The members of these organizations shall be elected by believers or appointed through consultation by believers. Their term of office shall be no more than

three years, but they may be reelected. Church workers undertaking the job of guiding and shepherding believers shall be ex officio members of these organizations.

#### 3. Administrative Authority of Church and Chapel Organizations

Church and chapel organizations shall heed the extensive opinions of believers. Their members shall share work and cooperate with one another, and act with one mind in managing churches and chapels.

##### (A) Management of church activities

(1) Meetings, services, and sacraments shall be properly planned and conducted in an orderly manner. It is imperative to worship God with a pious heart, and avoid the occurrence of disturbance.

(2) Preaching shall be undertaken by those guiding and shepherding believers or by volunteers who have God's gift of preaching and who have been trained and approved by the church. It is imperative to guard against the dissemination of heresies, division of the church, or any illegal activity to do harm to believers.

(3) Church work shall be guided and coordinated by church affairs organs.

##### (B) Management of church property and financial affairs

(1) Church and chapel organizations shall be responsible for keeping church property. They shall draw up practical management measures and assign responsible persons or groups for these purposes.

(2) To manage church financial affairs, church or chapel organizations shall form financial groups to undertake the tasks of opening tithe boxes, accounting, issuing receipts, and depositing cash into banks in strict accordance with the financial administration rules. In principle, personnel doing the job of guiding and shepherding believers shall not act as cashiers or accountants.

(3) Believers are encouraged to give tithes willingly, and there shall be no compulsory financial contributions. Church and chapel organizations shall periodically brief believers on their receipts and disbursements. Church affairs organs shall have the authority to conduct audit where necessary.

(4) Strict financial examination and approval procedures shall be established. All major disbursements shall be discussed by church or chapel organizations.

##### (C) Admonition and Punishment of Believers

(1) Any believer with wrongdoings (including law offenses) in violation of the canon shall be admonished and educated by holy work personnel. If he refuses to correct his mistakes despite repeated admonitions and if the case is serious, the church or chapel organization shall report the case to the relevant church affairs organ, and with the latter's approval, bar him from Holy Communion or even remove his name from the church rolls.

(2) If a person undertaking the job of guiding and shepherding believers has serious wrongdoings (including law offenses) in violation of the canon or spreads heterodoxy and paganism, believers can report the case to the relevant church affairs organ. After the case has been verified through investigation, appropriate disciplinary action shall be taken by the provincial church affairs organ if the offender is a minister or teacher, by the prefectural or city church affairs organ if the offender is an elder, and by the local church affairs organ if the offender is a preacher or deacon. Disciplinary actions include admonition, suspension of work in the church, discontinuance of work, dismissal from the holy work post, and removal of the offender's name from the church rolls.

(D) Maintenance of the church's self-governing, self-supporting, and self-preaching principle, and resistance against all activities of individuals or groups at home and abroad that undermine or interfere with the three-self principle.

These regulations shall be put into trial implementation after they have been discussed and adopted by the Standing Committees of the two national Christian organizations. The same procedure shall apply to the revision of these regulations. The Church Rules and Regulations Committee of the China Christian Council has the authority to interpret these regulations.

#### Constitution of TPMPC National Committee

92CM03204 Shanghai TIEN FENG /HEAVENLY WIND/ in Chinese No 111, 1 Mar 92 pp 19-20

[*"Constitution of the National Committee of Three-Self Patriotic Movement of the Protestant Churches [TPMPC] in China. Adopted on 6 January 1992"*]

[Text] Article 1. This committee is called in English the National Committee of Three-Self Patriotic Movement of the Protestant Churches in China.

Article 2. This committee is a Christian organization based on patriotism and love for Christianity. Its purpose and tasks are To unite the Christians in the entire country to cherish the socialist motherland, and abide by the nation's constitution, laws, regulations, and policies under the leadership of the Chinese Communist Party and the Chinese People's Government. Uphold the principle of self-government, self-support, self-preaching, independence, and self-reliance in running churches, and defend and develop the achievements of the Three-Self Patriotic Movement. Assist the government to implement a policy on freedom of religious belief, and preserve the legitimate rights and interests of churches. Contribute to maintaining national stability, building socialist material and spiritual civilizations, achieving the motherland's reunification, promoting international friendly exchange, and preserving peace in the world.

Article 3. The China National Christian Convention is the supreme organ of this committee. This committee maintains a work-sharing and cooperative relationship with the China Christian Council, and together with the latter,

convenes the China National Christian Convention at the prescribed time. It may also hold other joint meetings with the China Christian Council when necessary.

Article 4. This committee shall promote contacts with the committees of the three-self patriotic movement of the Protestant churches of all provinces (autonomous regions, and municipalities), exchange information and experience, and study and coordinate efforts to solve their common problems. All provincial (regional, and municipal) committees of the three-self patriotic movement of the Protestant churches are obligated to follow and fulfill the resolutions of this committee.

Article 5. This committee shall be elected by the China National Christian Convention. The term of office of its members shall expire when the next national convention begins. They may be reelected.

Article 6. This committee has a chairman, several vice chairmen, a secretary general, and several standing members, all elected by the committee. When necessary, an honorary chairman may be elected for a term which shall expire when the next national convention begins.

Article 7. The Standing Committee is composed of the chairman, vice chairmen, secretary general, and standing members of this committee. It handles the work of this committee when the plenary committee meeting is not in session. When necessary, additional members may be nominated and added to the Standing Committee, and its existing members may also be recalled. Several advisers may be engaged for a term which shall expire when the next national convention begins.

Article 8. This committee have several deputy secretaries general, who are nominated by the secretary general and appointed with the approval of the Standing Committee.

Article 9. The Standing Committee may, in accordance with the work needs, establish work organs and special commissions of one kind or another. The term of office of such special commissions is the same as the Standing Committee.

Article 10. The China National Christian Convention shall be convened every five years. When necessary, the time of convocation may be advanced or postponed. The number of delegates to the convention and the method of their creation shall be determined through joint studies by the Standing Committee of this committee and the China Christian Council. The plenary committee meeting shall be held every two years. The date of the plenary committee meeting may be advanced or postponed when necessary.

The Standing Committee shall meet once a year. The date of the Standing Committee meeting may be advanced or postponed when necessary.

Article 11. The chairman, with the assistance of the vice chairmen and the secretary general, shall preside over the work of the Standing Committee. The chairmanship meeting, composed of the chairman, vice chairmen, and

secretary general, shall handle the important day-to-day work of the Standing Committee. The chairmanship meeting shall be held every six months. When necessary, it may be held jointly with the presidential affairs meeting of the China Christian Council.

**Article 12.** The Standing Committee shall be responsible for raising funds to defray the operating expense of this committee.

**Article 13.** This committee is located in Shanghai.

**Article 14.** If it is necessary to terminate the activities of this committee, a decision to this effect may be adopted after discussion by the China National Christian Convention.

**Article 15.** This constitution shall be put into effect with the approval of the China National Christian Convention. The same procedure shall apply to the revision of this constitution.

#### **Constitution of Christian Council**

92CM0320C Shanghai TIEN FENG /HEAVENLY WIND/ in Chinese No 111, 1 Mar 92 pp 20-21

[**"Constitution of China Christian Council. Adopted on 6 January 1992"**]

[Text] **Article 1.** This council is called in English China Christian Council.

**Article 2.** This council is a Chinese national organization for Christian church affairs. Its purpose is to unite all Christians nationwide who believe in our Heavenly Father and recognize Jesus Christ as the Savior, and see to it that they abide by the nation's Constitution, laws, regulations, and policies and run successfully the independent self-governing, self-supporting, and self-preaching Chinese churches by acting in accordance with the Bible and making concerted efforts with one heart under the guidance of the Holy Spirit.

**Article 3.** Holding high Jesus Christ and his Cross, this council shall unite the churches in all parts of our country to respect Christ as their head and build up Christ's body by carrying forward their role as members of that body while bearing graceful witness to the Gospel. It shall help the church throughout the country to do holy work, and advocate mutual respect in dealing with different viewpoints about belief and different rites. With regard to relations between the members of Christ's body, it holds that they should "forgive each other with love, unite with each other in peace, and strive to maintain the will of unity bestowed by the Holy Spirit."

**Article 4.** This council shall promote the Chinese churches' work in the fields of theological education as well as the publication of the Bible, hymns, and other church books and periodicals, introduce the experiences of churches in various localities with regard to preaching, shepherding, and management, and facilitate their efforts to formulate church regulations and rules. It shall also develop friendly exchange with churches in other countries.

**Article 5.** The China National Christian Convention is the supreme organ of this council. This council maintains a work-sharing and cooperative relationship with the National Committee of Three-Self Patriotic Movement of the Protestant Churches in China, and together with the latter, convenes the China National Christian Convention at the prescribed time. It may also hold other joint meetings with the National Committee of Three-Self Patriotic Movement of the Protestant Churches in China when necessary.

**Article 6.** This council shall promote contacts with the Christian councils (or church affairs committees) of all provinces (autonomous regions, and municipalities), exchange information and experience with them, and study and coordinate efforts to solve their common questions. All provincial (regional, and municipal) Christian councils (or church affairs committees) are obligated to follow and fulfill the resolutions of this council.

**Article 7.** The Plenary Committee of this council is elected by the China National Christian Convention. The term of office of its members shall expire when the next national convention begins. They may be reelected.

**Article 8.** This council has a president, several vice presidents, a chief officer, and several standing members, all elected by the Plenary Committee of this council. When necessary, an honorary president may be elected for a term which shall expire when the next national convention begins.

**Article 9.** The Standing Committee of this council is composed of the president, vice presidents, chief officer, and standing members. It handles the work of this council when the Plenary Committee meeting is not in session. When necessary, additional members may be nominated and added to the Standing Committee, and its existing members may also be recalled. Several advisers may be engaged for a term which shall expire when the next national convention begins.

**Article 10.** This council has several deputy chief officers, who are nominated by the chief officer, and appointed with the approval of the Standing Committee.

**Article 11.** The Standing Committee may, in accordance with the needs of work, establish work organs and special committees of one kind or another. The term of office of such special committees is the same as the Standing Committee.

**Article 12.** The China National Christian Convention shall be convened every five years. When necessary, the time of convocation may be advanced or postponed. The number of delegates to the convention and the method of their creation shall be determined through joint studies by the standing committees of this Council and the National Committee of Three-Self Patriotic Movement of the Protestant Churches in China.

The Plenary Committee meeting of this council shall be held every two years. The date of the Plenary Committee meeting may be advanced or postponed when necessary.

The Standing Committee of this council shall meet once a year. The date of the Standing Committee meeting may be advanced or postponed when necessary.

Article 13. The president, with the assistance of the vice presidents and chief officer, shall preside over the work of the Standing Committee. The presidential affairs meeting, composed of the president, vice presidents, and chief officer, shall handle the important day-to-day work of the Standing Committee. The presidential affairs meeting shall be held every six months. When necessary, it may be held jointly with the chairmanship meeting of the National Committee of the Three-Self Patriotic Movement of the Protestant Churches in China.

Article 14. The Standing Committee shall be responsible for raising funds to defray the operating expense of this council.

Article 15. This council is located in Shanghai.

Article 16. If it is necessary to terminate the activities of this Council, a decision to this effect may be adopted after discussion by the China National Christian Convention.

Article 17. This constitution shall be put into effect with the approval of the China National Christian Convention. The same procedure shall apply to the revision of this constitution.

**New Catholic College Begins Classes in Beijing**  
*HKD 705022592 Beijing CHINA DAILY in English*  
7 May 92 p 3

[By staff reporter Xie Liangjun: "New Building for Catholic College Opens"]

[Text] A new class began four years of divinity training yesterday morning at the Theological and Philosophical College of the Catholic Church in China in western Beijing, the country's highest and most prestigious Catholic school.

The 62 men, ages 18 to 30, were chosen and recommended by local dioceses from 14 provinces, municipalities and autonomous regions including Shanxi, Yunnan and Shandong provinces and Inner Mongolia.

All these students have high-school and two-year theological degrees, and most come from Catholic family backgrounds.

The college just moved to Beijing's Haidian district yesterday, where its new white building's 4,100 square metres can accommodate more than 200 students.

Bishop Joseph Zong Huaide, college president and president of the Chinese Catholic Patriotic Association, said at the new building's opening ceremony that since the college opened in 1983, it has trained more than 40 priests who are qualified theologically.

The college's old location, on Luyingjie Street in Xicheng District, did not have adequate classroom space.

The college will ask professors from Chinese universities to teach liberal arts subjects and plans to invite foreign priests to teach theology. The School will also send excellent students overseas for further study.

Wan Yaobin, vice-director of the Religious Affairs Bureau under the State Council, said at the opening ceremony that the State hopes the college will train priests who are loyal to their religion and their country.

He urged teachers and students to co-operate with local Catholic schools to quickly finish compiling and writing teaching materials that suit China's practical situation and are of the Chinese characteristics.

There are more than 3,000 Catholic churches and meeting places across the country, which are visited by about 3.5 million Chinese. China's less than 1,000 Catholic priests are not enough to serve this large following.

At present, about 10 religious schools for Chinese Catholics have been set up by local dioceses and have graduated about 200 students.

Chinese Catholics run their churches independently and elect and ordain their own bishops.

#### **Survey on Temperament of College Students**

*92CM03044 Beijing JIAOYOU YANJIU /EDUCATIONAL RESEARCH/ in Chinese No 147, Apr 92 pp 24-34*

[Article by Yan Deguang (2799 1795 1684), Yang Xianfen (2799 0341 5358), Zhou Shuqing (6650 2885), and Ying Hongbiao (2019 7703 2871) of the Shanghai Municipal Bureau of Higher Education: "Survey Report on the Various Types of Temperaments and Dispositions Found in College Students"]

[Excerpts]

#### **I. Synopsis**

We conducted a study of students attending 16 institutions of higher learning in the eastern region of China. The 2,304 students we studied all ranked between the 86th and 90th percentiles in their respective classes. Our method was to have the target students fill out the "Temperament, Disposition, and Model Characteristic Chart" created by our task group, and then to have the teachers in charge of the various classes verify the responses. Finally, we entered the results in a computer and compiled statistic-based classifications. [passage omitted]

Based on our statistical analyses, we found that the greatest proportion of the college students, 42.2 percent, were sanguine by nature; the second greatest proportion, 29.22 percent, were phlegmatic by nature; the third greatest proportion, 15.64 percent, were choleric by nature; and the lowest proportion, 3.7 percent, were melancholic by nature. Another 10.48 percent of the students studied were of a composite-type temperament (that is, their answers reflected dual temperaments).

Comparing the distribution of disposition types among male and female students, we found that the four temperament types were shared among both male and female students in similar proportions to those related above.

Viewed from the standpoint of where the college students hailed from (whether city, rural town, or farming village), we found the following distribution of temperament types: 49.44 percent of the students from cities were sanguine, a much higher proportion than among those hailing from rural towns or farming villages. Students from farming villages were found to be sanguine and phlegmatic in nearly equal proportions, with 33.96 percent sanguine, a lower percentage than was found among students from cities and rural towns, and 33.08 percent phlegmatic, a higher percentage than was found among students from cities and rural towns. Also, a somewhat higher percentage of choleric and melancholic types came from farming villages than from cities and rural towns.

Looking at the types of families the college students grew up in (that is, based on the occupations of the parents, divided along lines of intellectual families which includes doctors, teachers, engineers, artists, etc., cadre families, staff and worker families which include laborers, shop employees, enterprise employees, etc., farming families, and self-employed families), we found the following temperament distributions: 31.02 percent of students from cadre families and 49.87 percent of students from intellectual families were found to have sanguine dispositions. This is much higher than the percentages of sanguine-type students from the other family classifications. Equal proportions of students from farming families were found to be sanguine and phlegmatic, and while the sanguine type ranked proportionally lower among students from farming families than it did among students from intellectual, cadre, or staff and worker families, there were proportionally higher numbers of phlegmatics from farming families than there were from the other three family types, and the proportion of choleric was somewhat higher as well. A greater proportion of phlegmatic and choleric students came from self-employed families than from any other family type, whereas the self-employed family group produced the lowest proportion of sanguine students. We must, however, point out that students from self-employed families represented only 0.77 percent of the total number of samples studied. Thus, further study will be required to determine whether the distributions suggested here for students of self-employed families are truly representative.

## II. Analysis of the Distribution of Temperament Types Among College Students

Currently, there are no universally applied standards for classifying temperament types. For our investigation and analysis, we have adopted the four temperament classifications in common use.

### A. Classification Based on Functional Type

Classification based on functional type, meaning temperament classifications based on whether an individual is predisposed to act based on intellect, feeling, or will, generally can be grouped into the following three classifications—intellectual-types, feeling-types, and willful-types.

Intellectual-types are cool-headed and emotionally stable. They are generally able to use their thinking faculties to assess the people and environment around them and whether the same will benefit or harm them. They are not swayed by their emotions and they do not act hastily.

Feeling-types derive strong meaning from the emotional experiences of their lives. Their speech, acts, and mannerisms are often aroused and controlled by their emotions. They do not coolly reflect on the events they encounter, they are easily swayed by their emotions, and they are prone to act in a hasty fashion.

Willful-types set clear goals for themselves and act in a self-initiated, energetic, and tenacious manner. They do not hesitate in the face of adversity but instead set about devising ways to overcome their obstacles.

Based on our investigations, the dominant proportion of college students, 40.7 percent, are feeling-types. The second largest group, 31.26 percent, are intellectual-type. The lowest percentage, 22.75 percent, are willful-types. Another 5.27 percent of the students were found to be composite-types (that is, they could not be classified under any of the three categories). Looking at the sexes, we found that a particularly high proportion of females, 49.67 percent, were feeling-types. This is 14 percent higher than the proportion of male feeling-types. Conversely, markedly higher proportions of male students were intellectual- or willful-types.

Looking at the home regions from which the students hailed, we found that feeling-types predominated from each of the three locales. However, there were differences among the locales, as the proportion of feeling-types from farming villages was much lower than from cities and rural towns, while farming villages produced higher proportions of intellectual- and willful-types than did cities and rural towns.

Looking at family backgrounds, we found that the greatest proportions of feeling-types came from self-employed households and intellectual families. Only 33.47 percent of the students from farming families were feeling-types—this was the lowest proportion of any family type. Yet, 35.02 percent of the students from farming families were intellectual-types, the greatest proportion for any family type. Fairly high proportions of willful-types came from self-employed, cadre, and farming families.

### B. Classification Based on Directional Inclination

Classification based on directional inclination, meaning temperament classifications based on whether an individual tends to reach out to the world or to withdraw within himself, generally can be divided into extroverts and introverts.

Extroverts are lively, candid individuals gifted at social intercourse who often display concern and interest with regard to external events.

Introverts are quiet, aloof individuals fond of mental fantasy who are slow to warm to external events and who are inclined toward internal activity.

Our investigations reveal that 55.49 percent of college students are extroverts, while 40.76 percent of college students are introverts. We found similar ratios when we looked at the sexes separately.

Comparing the locales, we found that extroverts outnumbered introverts from each of the three regional types. Of course, the greatest extrovert proportion, 59.64 percent, was found among students from the cities, while the greatest introvert proportion, 46.52 percent, was found among students from farming villages.

Looking at the family types, only self-employed households produced greater numbers of introverts than extroverts. Fairly high proportions of extroverts came from intellectual families (60.51 percent) and cadre families (58.08 percent). In addition, the figures for extroverts and introverts from farming families were pretty close to those for the same types from farming villages.

### C. Classification Based on Independence

Classification based on independence, meaning temperament classifications drawn on the basis of the degree of independence an individual manifests, generally lends itself to division along the lines of independent-types and group-yielding-types.

Independent-types are good at independent thinking, they are self-confident, they stand alone in their convictions and actions, they are bold and resolute, and they do not cower in the face of danger. They are, however, prone to extremism.

Group-yielding types lack definite views, they are susceptible to outside suggestion, they go with the flow of the group, they passively adapt to the environment, and when faced with adversity they are prone to quake with fear.

Our statistics reveal that independent-types greatly outnumber group-yielding-types (74.46 percent to 21.02 percent). Looking at the sexes, we find that a higher proportion of males classify as independent-types than do females, while higher proportions of females classify as group-yielding types than do males.

Analyzing the students on the basis of home locale, we found that each of the three locales produced greater than 70 percent proportions of independent-types. The greatest proportion came from farming villages (76.76

percent), while the proportion of group-yielding students from rural towns was 26.35 percent higher than the other two regions.

Looking at the family types, we found that each family type produced greater than 70 percent proportions of independent-types. There are, however, differences among the family types, as self-employed households (81.11 percent) and farming families (77.63 percent) produced higher proportions of independent types than did the other categories of homes. Higher proportions of group-yielding students came from intellectual and staff and worker families than came from other types of families.

### D. Classification Based on Human Relations

Classification based on human relations, meaning temperament classifications derived from analyses of the salient features of a student's interactions with others together with consideration of other psychological qualities, generally lends itself to five different categories—Types A, B, C, D, and E. This classification methodology currently enjoys fairly wide usage.

Type-A individuals are competitive, moody, emotionally unstable, and impetuous in their dealings with the world. This type of person is also called "an action-oriented type."

Type-B individuals are fairly stable emotionally, quite balanced in their social adaptability, intellectually and physically average performers, and lack somewhat an ability to act from subjective initiative. This type of person is also called "a normal type."

Type-C individuals are emotionally stable, good at social adaptability, composed in their actions, orderly, and yet they are not skilled in social intercourse and they are noted for their introversion. This type of person is also called "a stable type."

Type-D individuals are skilled at taking active initiative, and are average in their social adaptability skills, yet they are good at social intercourse altruistic, and noted for their extraversion. This type of person is also called "a positive type."

Type-E individuals shy away from social intercourse preferring to do things alone. They often drift off into their own worlds and they have their own unique interests and preferences. Their social adaptability is poor to average. This type of person is also called "an avoidance type."

Targetting over 2,000 college students using this typology, our investigations revealed that the highest proportion of students (31.09 percent) are Type-Cs, while 23.1 percent are Type-Ds, 19.21 percent are Type-A, 14.2 percent are Type-Bs, and 8.61 percent are Type-Es. Moreover, Types C and D represent the highest proportions, whether we look at only males or only females. Of course, there are differences between the sexes, with 33.27 percent of the males being Type-Cs, while the females are six percent lower, and 11.26

percent of the females being Type-Es, while the males are four percent lower in this regard.

Looking at locales from which the students hail, we found that the proportions of Types A, B, and E are pretty much the same from the different types of region. Cities produce a fairly low proportion of Type-Cs, while farming villages produce a fairly high proportion of the same, five percent higher than the Type-Cs produced by the cities. Conversely, cities produce a fairly high proportion of Type-Ds, 10 percent more than the farming villages.

Looking at the different family types, we found that intellectual and cadre families produced slightly more Type-Ds than Type-Cs. We found that 28.93 percent of the students from intellectual families were Type-Ds, more than any other family type, and higher than the proportions of the same from farming families and self-employed families by nine percent and 14 percent respectively. Fairly high proportions of Types-C and A came from self-employed families and farming families, with the latter producing 18.74 percent Type-Cs, 10 percent more than intellectual families. Farming families produced a seven percent higher proportion of Type-As than did cadre families, but they had the lowest proportion of Type-Es. In addition, Types C, D, and E were represented in nearly identical proportions from cadre families, and a higher proportion of Type-Es (22.09 percent) came from cadre families than any other family type. [passage omitted]

### **III. Comparing Distribution of Temperament and Disposition Types Among College Students by Type of Institution Attended**

In an attempt to explore the differing distributions of temperament and disposition types among college students based on the type of institution attended, we carried out our investigation and comparative analysis by choosing four different types of higher level educational institutions—major universities, teacher colleges, medical colleges, and engineering colleges—and initial results reveal the following features:

#### **A. Key Features of Temperament Type Distributions**

1. Among each of the institution types studied, the highest proportion of students were sanguine types. The proportions at major universities and engineering colleges were particularly high, with the former providing 49.12 percent sanguine types, and the latter 46.73 percent of the same. Major universities produced 10 and 15 percent higher proportions of sanguine types than did medical colleges and teacher colleges respectively.

2. The second most common type at each of the institution types were phlegmatics. Medical colleges had a particularly high proportion of phlegmatics (34.47 percent). This was five percent higher than the major universities, six percent higher than the engineering colleges, and 10 percent higher than the teacher colleges.

3. Choleric types were fairly well represented at medical colleges and teacher colleges (18.77 percent and 17.91 percent respectively).

4. Teacher colleges had 18.89 percent composite types among their students, the most of any institution type. Looking at the various institutions, we found that each had different distributions of temperament types between males and females. For example, the lowest proportion of sanguine-type female students came from medical colleges (29.11 percent). This was 21 percent lower than the proportion of sanguine-type females attending major universities, 16 percent lower than those at engineering colleges, six percent lower than those at teacher colleges, and 13 percent lower than the males attending medical colleges. However, medical colleges had the highest proportion of phlegmatic-type females (41.77 percent). This was 22 percent higher than similar type females at engineering colleges, 18 percent higher than those at teacher colleges, 13 percent higher than those at major universities, and 10 percent higher than the proportion of phlegmatic-type males at medical colleges.

Moreover, the proportion of phlegmatic-type females at engineering colleges was lower than the proportion of similarly typed students, male or female, at any other type of institution. However, a fairly high proportion (15.68 percent) of females at engineering colleges were composite-types, exceeding the proportion of composite-type females at teacher colleges. Finally, higher proportions of females at teacher colleges, medical colleges, and engineering colleges were more choleric-type than the males at the same types of institutions.

#### **B. Key Features of Disposition Type Distributions**

There are both similarities and differences in the distributions of temperament types among the students of the various institutions. The areas of difference, to a certain degree, reflect the unique characteristics of the different types of institutions.

1. Comparing the unique features of the temperament distributions on the basis of functional typology reveals the following:

(a) Feeling types predominated at each of the institution types. Teacher colleges, in particular, had a high proportion of feeling-types (43.01 percent).

(b) Medical colleges and engineering colleges had fairly high proportions of intellectual-types (35.27 percent at the former, 33.12 percent at the latter), with the former having an eight percent higher proportion of intellectual-types than teacher colleges, and the latter five percent more than the teacher colleges.

(c) Medical colleges and major universities had higher proportions of willful-type students than did the other institution types, with the former outranking teacher colleges by seven percent in this regard.

(d) Teacher colleges had higher proportions of composite-type students than did any of the other institution types.

Comparing the sexes, we found that greater proportions of females than males were feeling types at each of the various institution types, with 20 percent more of the females at engineering colleges being feeling types than the males. The reverse is true for willful types—at teacher colleges and medical colleges, 12 percent more males than females were willful types. In addition, fairly high proportions of willful-type females were found in engineering schools and major universities, with a 10 percent higher proportion of willful-type females attending engineering colleges rather than teacher colleges. At medical colleges, 13.44 percent of the females were intellectual types, six percent higher than the proportion of the same found at major universities, seven percent higher than at teacher colleges, and 17 percent higher than those at engineering colleges.

2. Comparing the unique features of temperament distributions on the basis of the directional inclination typology reveals the following:

Greater than 50 percent of the students at each of the institution types were found to be extroverts. Particularly high proportions (greater than 60 percent) of the female students attending engineering colleges and major universities were extroverts, higher than both the females at the other two institution types and the males at similar institutions. At medical colleges, 46.68 percent of the students were found to be introverts, and male and female introverts at medical colleges both outranked their counterparts at the other institutions.

3. Comparing the unique features of temperament distributions on the basis of the independence typology reveals the following:

Each of the institution types studied had fairly high proportions of independent type students (all over 70 percent). Looking at sex differences, we found that independent-type males proportionally outranked females at each institution type. At medical colleges and major universities, the proportions of independent males exceeded 80 percent. At each of the institution types studied, high proportions of group-yielding females were found. However, comparing the different institution types, a somewhat lower proportion of group-yielding females was found at the major universities while the same produced a higher proportion of independent-type females than any other institution type.

4. Comparing the unique features of temperament distributions on the basis of the human relations typology reveals the following:

(a) Each of the institution types had a preponderance of Type-C's, with medical colleges having the highest proportion (39.70 percent). This was 13 percent higher than the proportion of Type-C's found at teacher colleges, and 11 percent higher than that at engineering colleges.

(b) Type-Ds were the second most predominant type at the various institutions, with major universities having the highest proportion (27.6 percent), five percent higher than engineering colleges, six percent higher than teacher colleges, and seven percent higher than medical colleges.

(c) A high proportion of Type-A's (17.04) was found at teacher colleges, higher than any of the other institution types.

(d) The highest proportion of Type-Bs was found at engineering colleges, six, seven and eight percent higher than the proportions found at major universities, medical colleges, and teacher colleges, respectively.

(e) Higher proportions of Type-Es and composite-types were found at teacher colleges than at any other institution type.

Differences were also found in male and female temperament distribution at the various institution types:

(1) Except with respect to major universities, greater proportions of female students than male students at the various institutions were found to be Type-A's, with Type-A females at teacher colleges ranking the highest of all (20.71 percent).

(2) Greater proportions of males than females at the various institution types were found to be Type-C's. Males outranked females at teacher colleges by 10 percent in this regard, at medical colleges by 11 percent, and at engineering colleges by 15 percent. Medical colleges had the highest proportion of Type-C males (43.25 percent), 13 percent higher than teacher and engineering colleges, and eight percent higher than major universities. Among the females studied, the greatest proportion of Type-C's was found at major universities, 18 percent higher than engineering colleges and 11 percent higher than teacher colleges.

(3) Major universities have fairly high proportions of both male and female Type-Ds. Proportionally more Type-D males were found at major universities than at any other institution type, while major universities had the second highest proportion of Type-D females. The highest proportion of Type-D females was found at engineering colleges (28.84 percent), seven percent higher than that at teacher colleges, and eight percent higher than that at medical colleges.

(4) Proportionally greater numbers of females than males at each of the institution types were found to be Type-Es, with the greatest percentage being at teacher colleges (14.74 percent).

(5) The distribution of temperament types among females at engineering colleges varied considerably from that of females at the other institutions, with 17.10 percent being Type-A's which was third most among the institutions, a higher proportion being Type-Bs than at the other institution types, the lowest proportion of Type-C females among the institutions, and the highest proportion of Type-Ds and composite types.

**Article Recalls Importance of Nie Rongzhen**

CNN 2001/7/28/2 Beijing XINHUA Domestic Service  
in Chinese (004) GMF 28 May 92

[Article by the National Defense Science, Technology, and Industry Commission: "A Great Founder of National Defense Science and Technology—Deeply Cherishing the Memory of Marshal Nie Rongzhen"]

[Text] Beijing, 28 May (XINHUA)—Marshal Nie Rongzhen, a great proletarian revolutionary and military strategist, unfortunately passed away on 14 May 1992. The broad masses of scientists, staff members, and workers of the national defense science, technology and industry front as well as officers and soldiers of various military units were greatly saddened upon learning this precious news. They deeply cherished the memory of this great founder who had made major contributions to developing our country's science and technology for national defense.

### **1. The Designer of a Great Blueprint for Developing Science and Technology**

As one of the brilliant leaders of our party, state, and Army, Marshal Nie had been in charge of scientific and technological work of the state and Army for a long period. He was the first chairman of the State Science and Technology Commission and the National Defense Science, Technology, and Industry Commission. He was a respected and beloved policymaker and leader of the national defense science and technology front.

During the more than 40 years since the founding of New China, our country has made achievements in national defense science and technology that have become the focus of the world's attention by following the correct policy and under the correct leadership of the party Central Committee, the State Council, and the Central Military Commission. Through strong efforts by people of several generations, national defense scientific and technological projects have developed from nothing to something and from small scale to large scale. Now our country has established a relatively complete system of science and technology for national defense, trained and cultivated contingents of scientists and technicians for national defense who are professionally skilled and keep to the style of hard work with a high level of political awareness, and came out with a way of developing national defense science and technology with Chinese characteristics. We have not only mainly solved various problems in researching, designing, and producing advanced strategic nuclear missiles, nuclear-powered submarines, man-made earth satellites, and conventional weaponry for the Army, Navy and Air Force, but also have used these achievements to lead and promote the development of general science and technology and the national economy. Nuclear and aerospace industries, ship-building, electronics industry, ordinance, and other technologically intensive industries have particularly become our country's backbone force for promoting

industrial modernization. All these achievements are closely linked with the great name of Marshal Nie Rongzhen.

In the initial period of New China, Marshal Nie Rongzhen specifically led our country's scientific and technological work as entrusted by the party Central Committee. During that period, he assisted Chairman Mao Zedong and Premier Zhou Enlai in making a series of important policy decisions. As an outstanding strategist, he first grasped the work of formulating policies and plans for the development of science and technology. In 1956, the party Central Committee decided to formulate a 12-year plan for the development of science in accordance with the suggestion of Chairman Mao Zedong. Marshal Nie was one of the leading members of the State Council in charge of this work. He personally set some important contents for the plan, and they have become important contributions for New China's scientific and technological policy. "1) It is necessary to establish advanced subjects of study, such as jet, computer, nuclear energy, radio, and electronics technologies that have been developed in the world and are needed for the development of our country's national economy and defense. 2) In view of our country's special situation, it is necessary to conduct comprehensive studies of some major problems such as the comprehensive harnessing and development of the Chang Jiang and Huang He. 3) In promoting the development of the national economy and science and technology, it is necessary to tackle some urgent and key problems, including the development of agriculture, metallurgical industry, and energy sources. 4) It is necessary to solve major scientific and technological problems in actual production and capital construction of various departments at present and in the future." Marshal Nie led more than 600 scientists and technicians to formulate the "Outline of the 1956-67 Program for Long Term Development of Science and Technology (Draft)," which organically integrated key technologies for both economic and national defense uses and set tasks and final points of scientific and technological research for national construction. Marshal Nie personally directed all comrades on our country's scientific and technological front to work hard and tackle difficult problems with concerted efforts. The tasks set by the outline were fulfilled ahead of schedule, resulting in the rapid improvement of our country's comprehensive strength in economic development and national defense. The development policy for science and technology set by the outline was a very successful experience in the history of New China, and it still has important and practical significance today.

### **2. An Excellent Commander of a Large Contingent of Scientific and Technological Personnel in Efforts To Tackle Key Projects**

To carry out a grand plan for developing science and technology under conditions of limited manpower, material resources, and financial resources of the state, Marshall Nie suggested organizing a "major task force" of science and technology for national defense.

## MILITARY, PUBLIC SECURITY

In May 1956, with the help of Qian Xuesen and other experts, he submitted to the State Council and the Central Military Commission an initial report on conducting studies of guided missiles. He suggested the establishment of a guided missile research institute to proceed with all speed with such work as conducting research in the field of missile technology, manufacturing of missiles, and training of technical personnel. In October 1956, the proposed guided missile research institute was established. Later, a group of research organizations, experimental bases, and institutions of higher learning in the field of science and technology for national defense—including atomic bombs, aviation, ships and submarines, conventional weapons, and space technology—were established one after another under the unified planning of the CPC Central Committee. In view of increasingly complicated and heavier tasks of scientific research for national defense, Marshall Nie suggested to the CPC Central Committee in 1958 the establishment of a commission of science, technology, and industry for national defense responsible for the equipment of the entire Army. In this way, systems of scientific research, testing, and production for national defense were gradually formed and organizational foundations for developing science and technology for national defense were laid.

Under the direct leadership of the CPC Central Committee and the Central Military Commission and with the organization and implementation of Marshall Nie, China has developed science and technology for national defense in accordance with our conditions.

While actively importing advanced technology from foreign countries, China has always adhered to the policy of independence and self-reliance. In developing science and technology for national defense, China was faced with embargoes imposed by capitalist countries and limitations by the Soviet Union during a certain period of time. While analyzing the situation at that time, Marshall Nie realized that China, though large in terms of territory, could not carry out its drive for national defense modernization only by purchasing weapons from foreign countries. Moreover, China could not get the most advanced weapons from other countries. The only way out for China was to adopt the policy of self-reliance. In his report to Premier Zhou Enlai, Marshall Nie pointed out clearly that China should adopt a policy of self-reliance in developing science and technology for national defense, which would be supplemented by efforts to seek foreign aid and utilize scientific results already achieved by capitalist countries. Chairman Mao and Premier Zhou supported this farsighted policy. It was this policy that enabled us to master the advanced technology by developing our own scientific and technological research. In this new epoch of modernization, we will still adhere to the principle of self-reliance pioneered by Marshall Nie. We will actively import technology from foreign countries, but we will never solely depend on these imports. We will strive to learn from foreign countries, but we will refrain from

having any superstitions about supremacy of their scientific and technological achievements. We will be bold in importing scientific and technological achievements from abroad, but we will never indiscriminately copy them. We will improve our scientific and technological achievements for national defense by digesting, assimilating, and creating.

In the aspect of organizing personnel for tackling key scientific research projects, Marshall Nie adopted a strategic measure of "achieving a breakthrough by pooling technological strength to form a spearhead." In this way, China achieved scientific and technological breakthroughs by successfully forming advantages in certain fields from an overall unfavorable situation. Especially since 1962, when a central special commission composed of 13 members—including Premier Zhou Enlai, General He Long, and General Nie Rongzhen—was formed, China has further strengthened its leadership over the research and manufacturing of advanced and conventional weapons. China has achieved great results in organizing major strengths of all aspects concerned. In accordance with the policy adopted by the CPC Central Committee, China has devoted major efforts to the advanced technology such as guided missiles and atomic bombs. Under the leadership of the CPC Central Committee, China concentrated with all speed in efforts on key scientific and technological projects. As a result, it successfully exploded its first atomic bomb in 1964. Later, it successfully developed guided nuclear-armed missiles and hydrogen bombs. In addition, China successfully launched its first satellite in 1970. During the process of organizing these key scientific and technological projects, Marshall Nie conducted many investigations and studies at work sites and provided guidance. The successful development of guided missiles, atomic bombs, and satellites signifies China's achievements in science and technology for national defense. It also represents time and energy spent by Marshall Nie. Facts of the past 10-plus years prove that Marshall Nie's leadership and command is an organizational guarantee for promoting science, technology, and industry for national defense and constitutes a fundamental experience conforming to national situation in China.

In the early 1960's, Marshal Nie orchestrated a great cooperation among scientific research organizations for national defense, the Chinese Academy of Sciences, national defense, the Chinese Academy of Sciences, industrial departments, institutions of higher learning, and local research organizations to carry out Chairman Mao's guidance on doing a good job in coordinating and local research organizations to carry out Chairman Mao's guidance on doing a good job in coordinating efforts to develop advanced weapons. As a result, a comprehensive plan for promoting science and national comprehensive plan for promoting science and technology was mapped. It was this great cooperation that enabled China to make technical breakthroughs in developing guided missiles, atomic bombs, and satellites in a fairly short period of time. The fine tradition of engaging in joint efforts to promote science and technology for national defense plays a socialist role in concentrating on a great cause.

Effectively adopting the commanding skill of the CPC Central Committee by organizing large Army corps in operations during the liberation wars, Marshal Nie succeeded in organizing a great army of scientific and technological personnel. On 25 December 1989, Comrade Qian Xuesen wrote a letter to Marshal Nie congratulating him on his 90th birth anniversary. The impressive content of his letter can also represent the common feeling of the broad masses of scientific and technological workers. The letter reads: "It was you who helped Premier Zhou Enlai establish modern high technology in socialist China—that is, advanced technology with a whole set of organizational and administrative systems and methods, ranging from research, planning, development, and experiment to standardized production. I believed this achievement represents an attempt—the adoption of successful operations of large Army corps of the People's Liberation Army during the latter period of the 1940's in the great work of promoting modern sciences. The whole set of organizational and administrative systems and methods, both scientific and practical in nature, was of socialist practice. These systems and methods proved to be successful in developing atomic and hydrogen bombs and satellites. They should be adopted in our work of developing high technology. This whole set of systems and methods, if incorporated with new information technology, computerized administration techniques, artificial intelligence that combines human and machine power, and an 'expert system,' will become very useful for China in building socialism in its third stage of construction."

### 3. A Good Teacher and Helpful Friend to Intellectuals

Marshal Nie's long-term efforts in cultivating and training a contingent of scientific and technological personnel for national defense who have a high degree of ideological awareness and fairly good scientific and technological standard play a role in China's marked achievements in science and technology for national defense.

In the early years of New China, we did not have any contingent of scientific and technological personnel for national defense. Since Marshal Nie was ordered to take charge of scientific and technological work for national defense, he took it as a strategic work to organize a contingent of scientific and technological personnel for national defense. With his special concern, a group of excellent scientists were transferred to scientific and technological fronts of national defense, and they in turn became a backbone force. Efforts were made to invite through various channels scientists living abroad to return home. More than 1,000 fine personnel were chosen from persons who graduated from colleges and universities in the Soviet Union and from persons who graduated from local colleges and universities before and after the founding of New China. They became intermediate-class scientific and technological personnel. In a few years, a scientific and technological contingent for national defense composed of old, middle-aged, and young experts specializing in various fields was formed.

meeting the initial need of scientific and technological work for national defense at that time. To cultivate a reserve force for the scientific and technological contingent, Marshal Nie sent graduate students to study abroad and established institutions of higher learning in science, technology, and industry for national defense. He helped establish new programs in colleges and universities to train urgently needed professional personnel. Through a series of effective measures, colleges and universities have been able to provide a large group of research and planning personnel devoted to scientific and technological endeavors for national defense.

Marshal Nie Rongzhen showed great concern for the growth of scientific and technological personnel. In the early 1960's, to correct "leftist" tendencies within the party that seriously affected and endangered the scientific and technological front, Marshal Nie went deep into the grass-roots level to carry out investigations and studies and visited many scientific research units to hear opinions from scientific and technological personnel. He hated the erroneous practice of putting "leftism" before rightism in work toward intellectuals. With so many thoughts welling up in his mind, he emphatically suggested some fundamental ways such as correctly handling the issue of "red" and "expert" among workers of natural sciences and ensuring that scientific research personnel could have five-sixths of their time for research work each week. Later, he headed the drafting of the "14-Point Suggestions on the Current Work of Natural Science Research Organizations (Draft)" (which is called "14 Points for Science Work" for short) to guarantee the healthy development of scientific research work. This important policy document was praised by Comrade Deng Xiaoping as China's first "constitution for scientific and technological work." In July 1961, the party Central Committee transmitted this document with written comments to various departments and asked all departments to actively implement this policy.

Marshal Nie Rongzhen always advocated the need to respect knowledge and capable people, and he earnestly practiced what he advocated. After he took charge of scientific and technological work for the whole country and Army, he treated intellectuals as the treasures of the country. During the rectification campaign and anti-rightism struggle some scientific and technological experts were treated unfairly. Marshal Nie actively reflected the situation to the party Central Committee. Meanwhile, he encouraged scientists to lay emphasis on their work and continue to contribute to promoting the modernization of national defense. In February 1962, Marshal Nie Rongzhen presided over the national scientific and technological work conference in Guangzhou. Together with Premier Zhou Enlai and Comrade Chen Yi, they correctly analyzed the basic situation of intellectuals in our country and "took off their hats in respect to" intellectuals, announcing that intellectuals were intellectuals of the people and revolutionary intellectuals.

After the beginning of the "Great Cultural Revolution," Marshal Nie Rongzhen energetically tried to include the

protection of scientists and scientific and technological workers in central documents. To strengthen his efforts, he personally went to visit Comrade Tao Zhu [former vice premier and Political Bureau member, later purged by Maoists] and requested that he find a way to protect those valuable people of the country. Shortly afterward, Marshal Nie Rongzhen himself was attacked and framed, but he continued to find ways to protect scientific and technological personnel. Some scientists were attacked in their respective units, and Marshal Nie temporarily "lent" them to Beijing in the name of work requirements. In those days, Marshal Nie put his heart and soul into protecting scientific and technological personnel from being persecuted, and he had many sleepless nights.

Marshal Nie Rongzhen also showed great concern for the living conditions of scientific and technological personnel. He repeatedly said publicly "I am a general manager and serviceman, and I voluntarily want to provide services for their work." In the early 1960's, the living conditions of scientific research units and experimental bases was very poor for a while. Upon learning this, Marshal Nie was very uneasy and personally asked various major military regions for assistance in a determined manner. When supplies arrived, he told leading comrades in charge of the supplies: "Those fish, meat, soybeans, and seaweed are all exclusively for scientific and technological personnel, and all other people are not allowed to use them." In recent years, Marshal Nie Rongzhen no longer led scientific and technological work because of his advanced age. However, his heart was always closely linked with scientific and technological work and the broad masses of scientific and technological workers. It was precisely as what he himself said: "I have made suggestions to the party Central Committee on all major issues related to intellectuals." Marshal Nie was really worthy of being called a good teacher and beneficial friend of the broad masses of scientific and technological workers and a brilliant model in correctly understanding and creatively implementing the party's policy toward intellectuals.

#### 4. Earnest Last Wish for Later Generations

After the Third Plenary Session of the 11th CPC Central Committee, the scientific and technological undertakings for national defense entered a new period. Marshal Nie, despite poor health during his 80's, remained greatly concerned about the development of scientific and technological undertakings for national defense. He actively supported Zhang Aiping and other comrades in setting the development of ICBM's, submarine-based missiles, and communications satellites as priority tasks of sophisticated defense technology for the late 1970's and early 1980's, and in accelerating the development of new-type conventional weapons and equipment. He exhibited great interest and supplied warm encouragement during all stages of those tasks. The successful completion of the three major tasks and successful

development of new-type conventional weapons with advanced performance were new breakthroughs in scientific and technological undertakings for national defense.

In the 1990's, Marshal Nie was over 90 years old, but he earnestly urged scientists and technicians to keep firmly in mind the duty of revitalizing the country with science and technology and pay great attention to electronics technology. In November 1991, he wrote a preface for "Scientific and Technological Undertakings for National Defense of Contemporary China" in spite of ill health. In the preface, Marshal Nie said with deep feeling: "Scientific and technological undertakings for national defense are an important component of China's socialist modernization drive. They are a field rarely known to people, and all those who have long worked hard in this field are unsung heroes." "At present, a scientific and technological revolution characterized by new and high technology is rapidly sweeping across the world. Science and technology have become an important factor for appraising overall national strength and military strength of a country. The fact that science and technology are productive forces has become known to more and more people. The decade to come is crucial to China's rejuvenation. In the course of attaining the second step strategic objective of national economic and social development and in the new scientific and technological revolution, China's scientific and technological workers shoulder a heavy responsibility and have a good opportunity to give full play to their abilities. As a veteran on the science and technology front, I hope and firmly believe that comrades on the defense science and technology front, with glorious traditions, certainly can bring into play their strength and initiative to make new contributions to China's four socialist modernizations and live up to the expectations of the great motherland and the Chinese nation." This was the earnest last wish left by Marshal Nie to the vast number of scientists, technicians, officers, and men on the defense science and technology front.

All comrades in the National Defense Science, Technology and Industry Commission are determined to take Marshal Nie's last wish as a motive force, resolutely implement the party's basic line of "one central task and two basic points" initiated by Comrade Deng Xiaoping, unite closely around the party Central Committee with Comrade Jiang Zemin at its core, inherit and carry forward the spirit of self-reliance, hard struggle, scientific approach cooperation, and selfless dedication—a spirit long fostered on the defense science and technology front, and constantly make new contributions to the development of science and technology for national defense. This is the best way for us to cherish the memory of Marshal Nie forever.

Eternal glory to Comrade Nie Rongzhen, the most respected veteran on the national defense science, technology, and industry front!

## CENTRAL-SOUTH REGION

### Guangdong Robbery Ring Headed by Policeman Cracked

HK 740001049; Hong Kong WEN WEI PO in Chinese  
7 Jun 92 p 2

[Report: "Robbery Ring Headed by Armed Policeman Cracked in Huixiang, Guangdong"]

[Text] Guangzhou, 6 Jun (WEN WEI PO)—The Huixiang, Guangdong authorities have cracked down in the past few days on a large robbery ring equipped with firearms with the participation of incumbent armed policemen and brought the prime culprit to justice.

On 29 March and 2 May this year, two armed robberies took place in Danshui and Quchang towns, Huixiang County. On both occasions, a number of robbers, who wore armed police uniforms and held three mini-submachine guns and a 0.34 caliber pistol, charged underground gambling houses and took away 14 watches, a motorcycle, and money in Renminbi and Hong Kong dollars, with a total value of over 36,000 yuan. The total value of property robbed exceeded 100,000 dollars [no currency specified]. On 10 May, a similar armed robbery took place in Banan County.

Afterward, public security departments in Huizhou and Shenzhen cities cooperated with each other to investigate and clear up the cases. Huizhou public security department arrested Dai Zhiyong, a member of the ring, and then on 18 and 19 May, caught the remaining 11 criminals in Shenzhen and Banan respectively.

After interrogation of the criminals, it has become tentatively clear that the ring-leader, Liang Ruyong, and Chen Changbin and Chen Tianhao are rank-and-file members of an armed police detachment. Chen Dongyun is a demobilized rank-and-file member of the detachment, and Lou Weihua is the driver of a Shenzhen city government department. Liang Ruyong and his ring colluded with a prostitute turnname Liao and criminal Dai Zhiyong, letting Liao and Dai infiltrate possible targets for robbery to probe for information. After definite targets had been fixed, they informed Chen Dongyun, and Chen passed on the messages to Liang. Then Liang assembled ring members, made weapons ready, and looked for vehicles. After succeeding in robbing others, they fled from the scene and shared the stole property.

This case is being tried, and some of the criminals are still at large.

**Depoliticized Vice Premier Shih Chi-yang  
Interviewed**

92CM0523A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No. 271, 23 May 92 pp. 10-14

[Interview with Vice Premier Shih Chi-yang by Huich Chong-hang on 13 May, place not given. "I Am not Discouraged, I Am Angry"]

[Excerpt] (passage omitted) Below are excerpts from an exclusive interview with Vice Premier Shih Chi-yang by our reporter.

[Question] When the Kuomintang [KMT] originally decided to name you as the top candidate for national assemblyman at large, they hoped that you and the Number-two candidate, Ma Yin-chou, would jointly take the lead in amending the constitution. Later, after the party Central Committee's "emergency shift" over the method of electing the president, you rarely expressed an opinion at the National Assembly party member's meeting on amending the constitution. Why did you make such a major shift?

[Answer] (Letting out a deep sigh while turning his head to one side; pondering for a moment, then shaking his head while responding.) It is hard to explain in a few words, so it's best not to say anything. (Very long pause) From the beginning, I was unwilling to be an assemblyman at large, but because the party had specific requirements, they wanted me to do this job. Later, I also didn't say that it was "obedience" to party instructions, but said that it was "respect" for party instructions. At that time, I hoped to be like a chef for amending the constitution, taking the various suggestions for amending the constitution and combining them. (Glancing to the side again, unwilling to continue this line of discussion.)

[Question] Right after the KMT Central Committee indicated its preference for "direct presidential elections," why did you no longer firmly support election by delegates, but instead presented a "theory that popular will is like running water?"

[Answer] (With a very agitated expression) The expression, "popular will is like running water," is a distortion of my statement by the media. At that time, during all of the important internal party meetings on amending the constitution and during Central Committee meetings, I made tape recordings and these tapes still exist. But I am unwilling to make them public to avoid even more unnecessary controversy.

The chairman called the names one by one, and when he asked my opinion, could I say that I didn't have any opinion? At the time I said, "I don't advocate any particular proposal, but the popular will is very important. Yet the popular will is hard to pin down. Sometimes it leans eastward, sometimes it leans westward, so we must be very cautious." Some of the media attributed this statement to the "direct election faction," and others in the media attributed it to the "delegate faction." A few days later, the media changed their classifications again.

and I was considered the same as Minister Chen Lu-an, a part of the "unclear intentions faction." Clearly, my statement was misinterpreted by outside observers.

[Question] But after the national affairs conference the year before last, you always participated in the intraparty work on amending the constitution, and continually argued for election by delegates.

[Answer] That's correct. From the beginning, I followed the party Central Committee's suggestions and continually worked to educate people about election by delegates, but in the end there was no decision. From the beginning, we studied and drafted proposals for both direct elections and election by delegates, and there are few differences in the design of the two systems, since they both uphold the unchanging principles of the centralized government system. We continually educated people about election by delegates because many people are not familiar with this system, so we spent a relatively large amount of time explaining it, but in the end there was no final decision.

Furthermore, among assemblymen who are party members, more than 100 people were elected to the second national assembly because they supported direct presidential elections. This clearly shows that this topic was open for discussion, and the party Central Committee didn't make a final decision.

[Question] When did you know that the party Central Committee would take a sudden turn and change from "election by delegates" to "direct presidential elections?"

[Answer] I simply didn't know. (Enunciating clearly, with added emphasis on each successive word.)

[Question] At every stage of the KMT's amending of the constitution, you played an extremely important role from start to finish. But in the end, when election by delegates was changed to direct elections, you didn't know about it. You went from leading the amendment of the constitution to following. Doesn't this cold treatment discourage you?

[Answer] (eyes widening) Far more than discouraged—simply angry (pausing for a moment to take a breath). very angry!

[Question] Rumor has it that you were quite supportive of the part of the KMT's 14th article of amendment to the constitution on endangering the constitutional order.

[Answer] When the Executive Yuan's small group on the 100 special articles of the criminal code held its meeting, we invited many sitting judges and scholars and had eight or nine meetings with all of them on the question of repealing or revising Article 100 of the criminal code. These people are all experts on criminal law or criminal litigation. There were opinions ranging from "refuse to revise" to "repeal Article 100 of the criminal code" but most of the opinions leaned toward the need for revision.

revising it to make it more complete, and adopting institutions used in foreign countries. Most of the opinions were of this type.

At the time, I was the convener, the one presiding over the meeting, and I couldn't disregard other opinions or people would have said that I had staked out a position ahead of time. But I was still absolutely determined to insist on repealing the "ordinary crimes of civil disorder," the so-called "peaceful crimes of civil disorder."

[Question] At the time, did everyone agree with this policy?

[Answer] At the time, we had three points of agreement. The first was that a crime of civil disorder had to have violence as a major component. The second was to have the Ministry of Legal Affairs study and draft other clauses on whether or not nonviolent crimes of civil disorder constitute other criminal offenses. The third was to have the Ministry of Legal Affairs collect materials on people involved in criminal cases under Article 100 of the criminal code, and to be prepared at any time to use them to release the people involved in those cases.

[Question] It appears that you still believe that crimes of nonviolent civil disorder might still constitute criminal offenses, and that you approve of putting the clauses relating to endangering the constitutional order into the KMT's amendments to the constitution.

[Answer] Please note that I used the term "study and draft," which was a very flexible approach during the period for written comments on the documents, and everyone was aware of this. Having the Ministry of Legal Affairs "study and draft" criminal regulations is an important factor in repealing Article 100 of the criminal code. At the time, everyone had all sorts of opinions, and during the meeting I also repeatedly solicited everyone's opinions, and moreover it took courage in my role as chairman to commit to the position that "nonviolence cannot be the main component of a criminal act."

[Question] At the time, when you wanted the Department of Legal Affairs to prepare materials on people involved in the cases, was it because you intended to release the political prisoners jailed under Article 100 of the criminal code?

[Answer] Specifying that "violence" be a main component of crime under Article 100 of the criminal code was a big breakthrough. At the time, we wanted the Ministry of Legal Affairs to prepare materials on the people involved in the cases so we could report to the Executive Yuan in preparation for releasing prisoners jailed under Article 100 of the criminal code. Therefore, as the entire country moves toward democratization and institutionalization, we will stand on the side of progress, and I will be able to live with my conscience.

[Question] During the Third Plenary Session, the KMT didn't include the part about endangering the constitutional order in its version of the 14th article of amendment to the constitution. When was the decision made to add it? Why?

[Answer] During the meeting to coordinate the party and government administration on 18 April, I told Deputy Secretary-General Hsu (Hsu Li-de) privately that from the standpoint of the Executive Yuan on the question of the three principles of national security law, I advocated eliminating the first principle and retaining the second and third principles. But during the discussion on Article 100 of the criminal code, I didn't say a word, and everyone's opinion tended to be that if it was better not to draft a special section on endangering the constitutional order, then we shouldn't draft it.

When the Ministry of the Interior was doing research on amending the laws, they planned to make judicial departments responsible for reviewing political parties. Because for a long time, the Executive Yuan's party review board has been accused of being "prosecutor and judge simultaneously," a very bad thing, and they therefore wanted to remove that and place it into judicial arbitration. But at the time, I advocated having high courts hear the cases. It wasn't until the end of April that the KMT's small group on drafting decided to add the language in the second half of Article 14, and as for why it has ended up this way now, it is not convenient for me to say.

[Question] But outside observers all believe that this part was due to you adopting the design of West Germany's basic law.

[Answer] Early on, the party's review board, various segments of society, and experts and scholars all advocated giving the power to investigate unconstitutional acts by political parties to the high courts, and to return the power to dissolve political parties to the Ministry of the Interior. I myself also consulted lawsuits over elections to determine whether or not it was effective to have high courts arbitrate elections, and I thereby advocated giving the power to review political parties to the high courts.

Later, things kept changing, and changed to the current method of supreme court justices forming a constitutional court to handle this. This is actually not what I insisted on or decided, but it is a system that everyone jointly researched and formulated.

As for the language at the end about endangering the constitutional order, it is similar to Article 21 of West Germany's basic law. If you want to learn from someone else's system, there's nothing wrong with first adopting their language, but it is simply not what I insisted on. I don't have that much influence!

[Question] Did Premier Hao Po-tsun insist on adding it?

[Answer] No. I can refrain from telling you the whole truth, but I will not deceive anyone.

[Question] Was it Vice President Li Yuan-tse?

[Answer] (pondering for a moment) I won't answer that, but that doesn't mean "yes" or "no." You needn't extrapolate any further.

[Question] Among the three principles of national security law, the one that says "must not violate the constitution" has been eliminated. Why does the KMT still want to draw up a clause about endangering the constitutional order being unconstitutional?

[Answer] The national security law is "a national security law in name and a border control law in reality." The three principles of the national security law are useful only as oaths. When I was in the KMT's small group on drafting constitutional amendments and presiding over the meeting to condense 21 clauses down to nine clauses, you could have checked very carefully—the term "unconstitutional" did not appear. But later we considered that supreme court justices could only interpret the constitution, and since they had been given the power to dissolve political parties, if the term "unconstitutional" was not added, then the constitutional court composed of supreme court justices would not have the power to handle it.

[Question] How will the supreme court justices form a constitutional court?

[Answer] Many people have criticized this type of set-up as vague, and have asked how the supreme court justices would do this. How would the constitutional court be formed? This is definitely a problem, but this is something that the judiciary must agonize over later. For example, based on regulations in the law on assembly, the question of how administrative departments send cases to judicial departments and how the judicial departments try them must be standardized within the laws governing supreme court justices' proceedings.

[Question] The law is still not completed, so why was it so urgent to make changes at this time?

[Answer] To amend the law on assembly, it is necessary to evaluate and discuss matters of party review. Amendment of the law on assembly must be completed by the end of July, and the task of amending the constitution will be completed by the end of May. If the interrelated laws are to be revised completely, there is a long road ahead. If the problem is not handled this way now, there will simply be no way to continue along this road. As for why this time was chosen, it is entirely a coincidence of timing, and there was no alternative because the law on assembly expires at the end of July and the amendment of the constitution will be completed by the end of May. By June there would be nothing left to say on this matter.

[Question] Before the party Central Committee ever indicated its preference for "direct presidential elections," you were the leading person within the party on amending the constitution. But now you have been pushed into the background. Why was this extremely politically sensitive case put forward by you?

[Answer] I brought this case forward because I am the chairman of the party's review board in the Executive Yuan. If I didn't bring it up, how could the premier bring it up, or how could Ma Yin-chiu bring it up? Don't think that my bringing up this case means that I am a very bad

person. I am not that bad. I don't dare say that I have made contributions toward democratic politics, and I don't dare say that after Article 100 of the criminal code is repealed, that I will get credit. But I have very strong intuitions! (appearing rather emotional)

### Interview With Hsu Li-nung on His Political Role

92CM0321A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 270, 16 May 92 pp 18-21

[Interview with Chairman of the Executives Yuan's Vocational Assistance Commission for Retired Servicemen Hsu Li-nung, by Huang Ching-feng, place and date not given: "I Don't Have any Secret Design, and I Am not Going Against the Center"]

[Excerpt] [passage omitted] The following is the content of the interview:

[Question] A few days ago, legislator Yeh Chu-lan in her questioning said that you, Li Huan, and Ch'u Ch'uang-huan gathered a dozen hard-core military elements, who are National Assembly members, at the Serviceman Assistance Commission on the night of the 29th, to prepare for the establishment of a permanent organization, as well as to plan activities for consolidating Hao Po-tsui's hold on his office next May. Was her statement true?

[Answer] What Yeh Chu-lan said was nonsense. Her questioning was not only unreasonable but also illogical. In my view, not just people who know the matter will not believe it, even she herself does not believe it in her heart. Her motive was to use provincial sentiments to sow seeds of discord and division. What does she mean by preparing the organizing of a "constitutional amendment society"? I have never heard of such a thing. Why would I want to organize a constitutional amendment society? What do I have to do with any constitutional amendment society, as I cannot even be a participant in the process of constitutional amendment? Yeh Chu-lan said these things at the Legislative Yuan, and afterwards she sent the text to newspapers, TZULI WANPAO, TZUYOU SHIPAO, and TAIWAN SHIPAO published it. In my view, if she really wants to say these things, particularly in such a sensational manner, she should say them outside the parliament, saving such things inside the Legislative Yuan degrades the immunity for parliamentarians, and tramples the principle of immunity for parliamentarians.

[Question] But is it true that you meet with Ch'u Ch'uang-huan and others?

[Answer] That was true. Ch'u Ch'uang-huan invited to dinner a dozen or so National Assembly members who are on the National Policy Council. He also wanted to invite three people from the Kuomintang (KMT) Huang Fu-hsin headquarters, and therefore he invited me, as well as Li Huan and Chang Yu-sheng. To be frank with you, what we discussed was the implementation of the three principles contained in the center's instructions: (1) Do not put forward a proposal for direct popular election nor a proposal for direct election under an

electoral-college system. (2) It is alright to discuss the issue of the Executive Yuan president's power of countersigning, but no decision should be adopted. (3) There should be no further complications with regard to the constitutional amendment proposals determined by the Third Plenum and the Central Standing Committee. In my view, these are very good things. The public is over-sensitive on this issue, and tends to exaggerate the problem. Nowadays, no one knows how many people, in Taipei, are giving dinner parties, and no one knows how many people are invited. What is the point of being so sensitive?

[Question] The problem is that the several of you are all hard-core proponents of direct election under an electoral-college system. Of course, this makes people think

[Answer] Right. We are all opposed to direct popular election, and there is sensitivity. But realistically, the three principles I just talked about are unlikely to be adopted during this session of the National Assembly, and therefore the problem does not really exist. As for us having a meeting, there was really no such a thing as a secret design or attempt. That is impossible, and will never happen! Now, everyone is meeting with everyone. I also often meet with friends in the Democratic Progressive Party [DPP]. Does that mean that after meeting with them I should be considered to have defected to the DPP? I believe, Yeh Chu-lan knew in her heart that those things could not have happened. Why did she behave in such a way? Simply to sow seeds of discord and division.

[Question] Do you also maintain contact with DPP people?

[Answer] Of course I maintain contact with them. Without contact, how can we handle bills and budgets? We do not discuss political issues. But I do not need to name names, for everyone is over-sensitive at the moment. If I say that I have contact with a certain figure, he is likely to become a target of criticism inside the DPP, and cause trouble for him. Our political convictions may be different, but a friend is a friend. Those are two separate things.

[Question] As you said, you, as chairman of the Retired Servicemen Assistance Commission, cannot be a participant in the process of constitutional amendment. But why did you recently often meet with separate groups of National Assembly members? Are you hoping to make the constitutional amendment embody the idea of direct election under an electoral-college system through their actions?

[Answer] The center also consults me, because I am the chairman of the KMT Huang Fu-hsun headquarters. When I was consulted, I was told, You should tell the KMT members under the Huang Fu-hsun headquarters what policies or things to support. Therefore, at our meeting we put forward the proposal of supporting the center's three principles. Such was my duty.

[Question] As you are the chairman of the Retired Servicemen Assistance Commission, is it possible that by

holding on to the position for direct election under an electoral-college system, you are influencing all the retired servicemen's position on the issue, resulting in the further distancing of the retired servicemen from the present public opinion, and thereby causing social instability?

[Answer] I do oppose direct popular election. There are several basic reasons why I oppose direct popular election. First, in my view, direct popular election would bring trouble to the country. For example, in some places, after the election of a mayor or a county magistrate, the loser's side would stage a siege of the county government, would destroy the election office, or would even commit murder and arson. If such things should happen to a presidential election, are we not then the same as the Philippines or Korea? There would be great disasters for society. Second, direct popular election would lead to Taiwan independence. What disasters would Taiwan independence bring? Ordinary people may not believe what I said. But based on the expert knowledge and judgment made possible by the experience of my entire military life, especially my experience of political warfare, I would argue that there is no chance of the CPC doing nothing about such independence, and that it would certainly attack Taiwan militarily.

I do not oppose direct popular election because of sentiments based on provincial origin. I believe, what I am doing is for the interest of the 20 million fellow countrymen of Taiwan who have built such a prosperous, rich society with four or five decades' of hard work. I just do not have the heart to let all of that be destroyed in a second. I myself have also contributed to this enterprise with my sweat and toil.

[Question] President Li has publicly made clarifications with regard to the possibility of direct popular election leading to Taiwan independence. The president elected in accordance with the constitution of the Republic of China would naturally be the president of the Republic of China. Do you still have doubts in this respect?

[Answer] That is just not practicable at all! That is what we ourselves would say. But would the CPC believe that?

[Question] As a first-generation non-Taiwanese, do you share the sense of political crisis experienced by other non-Taiwanese?

[Answer] I do not have a sense of crisis based on my provincial origin. I have a sense of crisis based on national concerns. Now some people in the DPP deny the legitimacy of the Republic of China, and do not recognize the Republic of China. In today's elections, if the KMT is not elected, then the DPP will be elected. If the DPP is elected, then the Republic of China will disappear overnight. Now they already refuse to recognize the Republic of China. When elected, they are even less likely to recognize the Republic of China. Their present efforts on constitution-making and on changing the name of the country are all designed to deny the legitimacy of the Republic of China.

Some people say that they are sure that the DPP will not be elected. If such is the case, then why did the magistrate of Changhua County lose? Why did the magistrate of Taipei County lose? Why did we also lose in such a small place as Sanchung City where we were very much in control?

I believe, I do not have a sense of crisis based on provincial origin, but a sense of crisis based on a concern for the country.

[Question] Does such a sense of crisis have anything to do with the course currently followed by the center?

[Answer] I still have great confidence in the center. Some say that there will be two voices at the Third Plenum and that the conflict will be intense. In my view, such a prospect does not represent a crisis for the center, but represents the KMT's progress and a sign of progress towards democracy. If everyone is silent, then people would say that the plenum of the Central Committee is a "rubber stamp," demonstrating a lack of inner-party democracy. I have great confidence in the Central Committee, and I support the center very much.

[Question] As a party member, you undeniably have many ideas different from the center's, but at the same time you are also a former soldier who is the most emphatic about obedience to command. How do you view your loyalty to the party?

[Answer] I am one of the most loyal party members. I am loyal to the ideology held by the KMT of China, and loyal to the testament of the late party chairman who created the KMT of China and to the testament of the late president of the party. My ideas are not much different from the center's. I am only following my long-held convictions. I and the center share the same will, and there is no difference here.

[Question] Now the party center is obviously advocating direct popular election, but you are firmly opposed to that. Is such a conflict becoming increasingly apparent, with growing prominence of the idea of direct popular election?

[Answer] Who represents the so-called center? Is it the Central Committee or the Central Standing Committee? The Central Committee has not made a decision either for direct popular election or for direction election under an electoral-college system; neither has the Central Standing Committee made a decision either for direct popular elect-on or for direct election under an electoral-college system. Thus I am in no way going against the center!

[Question] What if the party center refers to just Chairman Li himself?

[Answer] Chairman Li has not said! He is also talking about two parallel proposals. He has not spoken in favor of either direct popular election or direct election under an electoral-college system. I really do not think that

President Li has spoken in favor of either direct popular election or direct election under an electoral-college system.

[Question] Nowadays, non-Taiwanese no longer enjoy exclusive political benefits, and the distribution of political power is increasingly in favor of indigenous people. What do you think about such developments?

[Answer] Enhancing the position of the indigenous people is not a problem to me. During the War of Resistance Against Japan, I was in Szechuan where there was also localism. When I was in Kuangtung, there was also some localism. But it is necessary never to forget a premise, that is, the Republic of China. The enhancement of the position of the indigenous people of Taiwan should a part of the development of the Republic of China as an integrated cultural entity.

[Question] Do you believe that in the increasingly diversified society of Taiwan, parliamentarians with a military background will be increasingly marginalized in parliament? If not, then why would they often group together to give them a stronger voice?

[Answer] Most of the parliamentarians with a military background are affiliated with the Huang Fu-hsin headquarters. They are either retired servicemen or the children of retired servicemen. Because of similar background, they may be a little closer to each other than to others. This is nothing to be alarmed about. For instance, the parliamentarians from business organizations may also often gather together, because they have similar characteristics. However, such gather-together, even if taking place frequently, in no way separates them from others. On the other hand, they may not actually often gather together anyway. They also have differences among themselves. You do not agree with me; I do not agree with you.

[Question] As a government official, do you think that you are too deeply involved in politics, thereby failing to uphold the principle of administrative neutrality?

[Answer] The Assistance Commission is a nonpolitical administrative unit, and it cannot but be neutral. The only thing it does is serve the retired servicemen, and there is nothing which is not neutral about that. As for why am I, as an individual, involved with the political circles? In fact I have no interest in politics. But since I am a member of the Central Standing Committee, sometimes I have to make statements in my capacity as a member of the Central Standing Committee.

Some legislators say that we are not neutral, because I have a Huang Fu-hsin headquarters (the party headquarters for retired servicemen), with all the KMT party members under it being either retired servicemen or their children. If there is an election, we would of course support candidates affiliated with the Huang Fu-hsin headquarters. This is just as you would surely support candidates nominated by the party headquarters of Changhua County but not members of the party headquarters of Yunlin County if you are affiliated with the

party headquarters of Changhua County. This is natural. The real issue is that the Huang Fu-hsin headquarters is in a good condition, and that its nominees are always elected. This is because the Huang Fu-hsin headquarters exercises restraint. If my district can only support one person, I will only nominate one person. All the votes would go to him, and he would thus be assured of election. Regional party headquarters tend to nominate many candidates, and with everyone trying to grab a portion of the votes, the chances of getting elected would naturally be affected.

As for the allegation that the Huang Fu-hsin headquarters only supports non-Taiwanese candidates but not Taiwanese candidates, this is even more ridiculous. We have supported many Taiwanese candidates. Lin Yu-hsiang is now attacking us in the most vicious manner, but back in those days it was with our support that he got started. In an emergency manoeuvre, we even diverted votes, which would have gone to Ch'en Hung-hsiang, to be used in support of him. As a result, he was elected, but Ch'en Hung-hsiang lost the election. There have been many such cases. Wang Fu-mao also got started with our support, in addition, Jao Ying-chi and Huang Cheng-yi also got started with our support.

[Question] As the Huang Fu-hsin headquarters has its own vote-allocation system as well as strong mobilization capabilities, it has become like a party within a party. The party headquarters has expressed its frustration at the difficulties in exercising control.

[Answer] How could that be? All our operations are cleared with the center. You can ask General-Secretary Sung. Every time we nominate a candidate, we always conduct prior consultation with the center, and then ask for the center's approval.

[Question] Some time ago, the Education Minister Mao Kao-wen was criticized for failing to uphold administrative neutrality because of his holding of a concurrent position as the chairman of the party headquarters for educated youth, and as a result he resigned from that concurrent position. Are you also considering resigning from the post of the chairman of the Huang Fu-hsin headquarters, so as to devote yourself exclusively to administration?

[Answer] This was decided by the center. At present, the position of the person in charge of the party headquarters for financial and economic circles is held, as a concurrent position, by the Finance Minister Wang Chien-hsuan, because this party headquarters covers a special field. The center can save resources by letting chief administrators for those fields take charge of those headquarters.

[Question] In other words, you are not considering resigning?

[Answer] I will not consider resigning, furthermore I would not be able to resign from the post even if I wanted to (laugh).

### Former Political Prisoner Views KMT Rule

92C M03084 Taipei T2L LI HANPAO in Chinese  
4 May 92 p 19

[Article by Ke Chihua, "Be a Taiwanese With Dignity Forever"]

[Text] I have been under Chinese rule for over 45 years, during which I have been imprisoned twice for political reasons, and have spent altogether 17 years in prison. Because of this bitter experience, I have decided to be a Taiwanese with dignity, and I would rather die than be a Chinese slave.

I was originally an English teacher dedicated to teaching and was not interested in politics. One could not expect that a mild intellectual like me would be arrested in 1951, subjected to all sorts of suffering, and sent the next year to Green Island to do forced labor. The result was that the cruel prison and reform-through-labor life tempered me into an anti-Kuomintang [KMT] fighter. While in prison, I made up my mind to overthrow this unjust regime. I would not hesitate even if I had to sacrifice my life.

In 1961 I was arrested again and was sentenced to 12 years' imprisonment. In 1973, I finally completed my term. My mother and wife went to Green Island specially, intending to take me home. But the prison authority, claiming that my viciousness was serious (actually, it was the KMT whose viciousness was serious not me), decided to send me to the rehabilitation team for another three years of reform-through-labor. After learning that I would not be released, my wife who had endured 12 years of loneliness and unease, living daily in fear and trepidation, felt so desperate that she almost committed suicide by jumping into the sea. She fell ill immediately after reaching Kaohsiung having cried all the way on the bus from Taitung.

Fortunately, "God loves dearly idiots." I, the "idiot" who does not seek fame or profit but wants only to save Taiwanese by eliminating the pest for them, was not forgotten by God. *New English Grammar* that I had compiled became a best-seller, so that my wife's life was not deprived during my imprisonment. And I did not die of suffering in prison. In 1976, I returned home safe and sound.

In the past 45 years, the Chinese ruling clique consisting mainly of the KMT has tightly held the three armed forces of army, police, and secret service, uses Taiwanese traitors to consolidate political power, controls firmly the education and propaganda tools, and uses both force and deception to rule the people of Taiwan. Taiwanese have suffered to the full discrimination and oppression, and can only keep their resentment to themselves although some 10,000 of their compatriots have been killed.

If the Taiwanese fully recognized at the outset the selfishness, the unreasonableness and the feudal autocracy of the Chinese, I believe we would definitely not have let the Chinese rule Taiwan after the war. But because of our ignorance of Chinese society and lack of foresight, we made a great mistake in a moment of

weakness, thus leading to today's misfortune of the Taiwanese. Talking about the makes one feel endless regret. Only after paying an extremely high price, we began to comprehend that we must shake off Chinese rule, build an independent, autonomous democratic state for all the people of Taiwan to have happiness.

Over 45 years of Chinese rule has caused serious pollution in Taiwan. How to clean up the pollution is an important task from now on. We must strengthen the enlightenment movement, and try to brighten cultural and moral levels.

We hope that democratic reforms can be accomplished smoothly so that Taiwan can transform peacefully into a democratic country. We must strengthen friendly relations with democratic countries like the United States and Japan and keep away as far as possible from the anti-democratic dictatorial regime of Communist China, especially we must guard against being used by Communist China. I sincerely hope that the conservative wing inside the KMT which attempts to sell our Taiwanese for favors refrains from obstructing democratic reforms. Otherwise, it will be to the detriment of the KMT.

### **Background on Appointment of Governor Chris Patten**

9/CM0364 Hong Kong LIUHUA [OUTLOOK]  
OVERSEAS EDITION in Chinese No 20 18 May 92 p 20

[Excerpt] [passage omitted] Chris Patten, 48, is a new political star who has risen in the world of British politics in recent years. As the chairman of the Conservative Party, he performed deeds of valor in the battle of the 9 April general election in which the Conservatives won their fourth consecutive victory. The Conservative Party defeated the powerful opposition Labor Party at a time when it had been lagging behind in the polls and the economy was in recession. Chris Patten, however, was defeated in his own electoral district, Bath, by the Liberal Democratic Party and lost his parliamentary seat.

To thank Chris Patten for his contributions to the Conservative Party, Prime Minister John Major offered him three alternatives to choose from the second day after the election victory. The first was to re-elect Chris Patten to the parliament as soon as possible by way of man-made by-election and appoint him an important position in the cabinet. The second was to have him enter the House of Lords. The third was to appoint him governor-general of Hong Kong. Chris Patten was explicitly opposed to the first alternative because it would mean that a senior politician of the Conservative Party would have to withdraw from his parliamentary seat, and enter the House of Lords so that a vacancy could be created for him. The second alternative would put an end to his young political career. This was actually undesirable in view of his high aspirations. As for the third alternative, Chris Patten did not make up his mind until he had thought it over again and again. It is generally believed that Chris Patten has broad prospects, and has the hope of entering 10 Downing Street in the future. Taking up the post of Hong Kong governor means that he will leave British politics for five years and will not be able to participate in the next general election either. Nevertheless, even if Chris Patten completes his five years as Hong Kong governor, he will be only 53 years old. So long as he performs satisfactorily as Hong Kong governor, even by Western standards, it will not be too late for him to return to British domestic politics.

Chris Patten will become the 28th Hong Kong governor. It is unanimously believed here that he will be the last governor before Hong Kong returns to China in 1997. Major said that Chris Patten "will do an important job at a crucial time and nobody else could do it better than him." Chris Patten is obviously different from governor David Wilson in two points. Wilson is a professional diplomat and a China specialist, whereas Chris Patten is a politician and not very familiar with Oriental issues. The appointment of a politician as Hong Kong governor has broken past practices. Although Chris Patten is not a specialist on Oriental issues, he said that his close relationships with Prime Minister Major and Foreign Secretary Douglas Hurd could make up for his inadequacy. Major said that Chris Patten "can contact me or

the foreign secretary at any time" after he assumes office. This is what nobody else could do.

Chris Patten told reporters that he would strive for a smooth transition of Hong Kong. He has visited China twice and Hong Kong three times. He said, "I have had some experience cooperating and negotiating with Chinese ministers and hope to continue my efforts and to succeed as in the past." Emphasizing the importance of Sino-British relations, Chris Patten said, "It is very important for us to establish as good relations as possible with China. I hope to continue to build on the basis of our work in the past and to ensure this goal." Chris Patten indicated that he would convince all sides with his performance that he is in a position to be a good governor and ensure a stable transition of Hong Kong.

Born on 12 May 1944, Chris Patten graduated from the History Department of Oxford University. In 1966 at 22 Chris Patten started to do internal affairs research in the Research Department of the Conservative Party. He was the department director from 1974 to 1979. He became a M.P. for the first time in May 1979, the same year Mrs. Thatcher took office. In Mrs. Thatcher's cabinet Chris Patten served as the under-secretary for the Northern Ireland Office and the Minister for Overseas Development Administration. In July 1989, Mrs. Thatcher appointed him Environment Secretary. Young, eloquent and good at debate, and possessing exceptional talent, Chris Patten often drafted political documents and speeches for both Prime Ministers Heath and Thatcher. Mrs. Thatcher thought very highly of his talent, but he was against her policies such as the "poll tax." In November 1990, Mrs. Thatcher's position as the leader of the Conservative Party was challenged and she did not win the first round of the election. Consequently, there appeared to be a "palace coup" in the cabinet. At that time two cabinet members asked Mrs. Thatcher to resign, one of whom was Chris Patten. Thereafter, Hurd and Major made a stand against Michael Heseltine. Chris Patten was in charge of the Hurd campaigning team. He has had a close relationship with Hurd. When Hurd was the Secretary of State for Northern Ireland, Chris Patten served as his deputy. Chris Patten said, "Of course I also have cooperated with the Prime Minister (referring to Major) for years. We were elected to the House of Commons at the same time. He is my good friend." After Major became the Prime Minister, he made Chris Patten the Conservative Party chairman and the Chancellor of the Duchy of Lancaster.

The Hong Kong governor is the general representative sent to Hong Kong by the British Queen. In addition to all the powers granted by the Queen, the governor also enjoys a rich and generous remuneration. The annual salary of the governor alone is twice as much as that of the British prime minister. Furthermore, it is tax-free. The British newspapers termed Major's appointment of Chris Patten as a "super-consolation prize." Chris Patten was going to step down from his post as the

Conservative Party chairman after the British local elections on 7 May of this year.

Mrs. Patten is a barrister for family law. She is going to give up her lawyer's practice and accompany her husband to Hong Kong. They have three daughters, all at school now. Only the youngest 12-year-old girl will go with them to Hong Kong. Chris Patten enjoys reading, playing tennis, and travelling. He knows French and Spanish. When asked whether he was going to study Chinese, he said that he knows his limitations and he knows which mountains are difficult to climb. He believes that in five years his daughter's Chinese would be better than his.

It was said in the British press beginning from last fall that Britain would send a politician to succeed David Wilson. Opinions varied over who was going to be the candidate. The appointment was finally placed on Chris Patten, thus ending several months of guesswork. This is a good thing for stabilizing the public trust in Hong Kong and all sides take an attitude of welcome.

#### Comments on Appointment of New Governor 9/7 MAY 1/04 Hong Kong MINI PAO in Chinese 1 May 92 p 71

[Article by China-Hong Kong Asia Pacific Research Institute Deputy Head Liu Chao-jia (0491 0340 0163); "Chris Patten-Britain's Last Agent"]

(Text) If one wants to approach the subject of Britain's policies towards Hong Kong by looking at the appointment of Chris Patten as Hong Kong's new governor, it is first necessary to put together a number of clues, and then it is possible that a sequence of ideas will emerge. These clues include:

1) The reason for the dismissal of David Wilson. The likeliest explanation for the dismissal of Wilson is not that he was not sufficiently tough on China, but that he was too tough. On the issue of the new airport, in the end he wanted to act personally on Britain's behalf, and he put Britain in an embarrassing and difficult position.

2) In the process of appointing Patten, everyone knew that he was not familiar with Hong Kong and China affairs, but he was still appointed to be able to reflect British intentions. In addition, one should not forget Patten's background, including the fact that he is a politician through and through; he has close relations with the prime minister and foreign minister, he has obtained the full support of the British government and is a member of the ruling Conservative Party.

From the above it is evident what special qualities Patten has and does not have, and it is clear that in terms of serving as Hong Kong's governor one's attitude towards China is not so important, the most important thing is still the intentions of the British government. In reality, the British government pays considerable attention to Hong Kong. As the British Foreign Minister has stated, with the exception of Northern Ireland, the issue the British Government pays most attention to is Hong

Kong. The reason for this is that in the next five years, the issue of Hong Kong, if it is not handled well, will put the British government in a difficult situation, as among other things the opposition party will have an excuse to criticize the ruling party. The British Government could also come under a sizeable amount of international criticism. Sino-British relations would likely worsen.

Based on the fact that Hong Kong could become involved in a variety of political conundrums with the British Government, Britain must strengthen its ability to handle Hong Kong affairs. Let local affairs be successfully resolved, and Britain need not worry. In this manner, Patten's background can be given full play and it will be sufficient for him to advise the British Government on how Hong Kong should handle a series of issues, including the following:

1) Over the next five years, there will be more and more situations which will require the cooperation of both the Chinese and British governments, and the Chinese government's tendency has been to view Britain as a negotiating adversary, and Britain cannot avoid jointly solving a number of problems with China.

2) The knotty problem of arranging the transfer of sovereignty, and the concrete arrangements for Britain's withdrawal.

3) Determining the Hong Kong government's dependence on Britain's overall policies.

4) Britain must give consideration to its interests in Hong Kong, including its economic and foreign policy interests, which will straddle 1997.

5) Strengthening the Hong Kong government's administrative capabilities and political prestige. Over the next several years, the authority of the Hong Kong government will continue to decline, and challenges from China as well as local challenges will increase, as those government supporters loyal to Britain and the organizational forces gradually loosen, become divided, and weaken, the governor of Hong Kong must have the ability to maintain effective administration.

For this reason, when Britain was appointing the Hong Kong governor, it had to consider the above issues. The new Hong Kong Governor, Chris Patten, as a proxy of the British Government, is very different in character from governors of the past. Past Hong Kong governors have come out of the Colonial Office and the Foreign Ministry, which are comparatively independent in British internal politics, and one could say have a rather high degree of independence. The British Government gives them a fair amount of autonomy. At present, Patten has sufficient authority to represent Britain in carrying out his assignment, and if he is to succeed in handling the many local problems as well as relations with China, he must not rely on high-level Sino-British contacts to solve them. Although Patten has a certain authority and policymaking power, I am not saying he

will not be used by the British Government, and the true state of affairs could turn out to be just the opposite, for the following reasons:

- 1) As a politician, Patten's future still lies in Britain, in the hands of the ruling Conservative Party and the prime minister, and he cannot go against the wishes of the prime minister.
- 2) Patten is also a party member. He must accept the party's discipline and cannot be like past Hong Kong governors who emerged from the civil service and stood above party struggles, but must regard maintaining British interests as his own duty.

When it comes to the most important task for Patten after he assumes office, it looks as if it is still the political one. In terms of foreign affairs, he must handle Sino-British relations, because he does not want Hong Kong to become a problem, and we expect him on no account to adopt a tough stance towards Beijing. In terms of internal affairs, he must solve the increasingly serious political conflict and strengthen Britain's authority. Speaking of the present situation, Patten should have a sufficient base to handle these difficult issues, because of his stature in Britain, he will not have to worry about trouble back home.

When it comes to Hong Kong, it seems that the biggest transformation will come in terms of the administrative system. From Patten's background and intense political character it may be predicted that the power and role of the future Hong Kong governor will be strengthened, involving more participation in administrative affairs, and the importance and position of the Hong Kong governor will be increased, superseding the past continuous expansion in the power and role of the government departments. When it comes to relations with internal political forces, it may be expected that Patten will gradually be inclined to rely on the organizational system and Beijing-leaning forces to govern. Though he has orally expressed his support for democracy and freedom, based on the fact that the issue of who will rule Hong Kong in the future has already been settled, while outwardly maintaining a neutral position, he still will rely on the support of the organizational system and the Beijing-leaning forces, and will not give equal treatment to each political group.

(This article was based on an interview with Liu, who has not looked over the manuscript.)

#### **Privatization of Government Departments Criticized**

92C MD110B Hong Kong TA KUNG PAO in Chinese  
17 Apr 92 p.?

[Article by Hong Kong Government Chinese Forum Deputy Head Huang He (7806 3109) "Putting an End to Political, Economic Pressure? 'Privatization' Will Only Increase Pressure"]

(Text) One scholar, in a certain editorial, when describing the motives for privatizing government

departments states that in addition to the philosophical factor (the government should not intervene in the market) and economic efficiency (Hong Kong has already entered the post transition period, 1997 is rapidly approaching, government prestige and public trust are declining daily) it is necessary to "privatize" or "corporatize" to reduce and even eliminate the political and economic pressure which the government must bear.

Hua Ding (1113 7844), who formerly served in the Finance Department, originally proposed "privatization" in 1980, at the time said, "If we are capable of verifying that a particular type of service supplied by a government department can be managed more economically and more efficiently and the service can be supplied even better, then the government should be prepared to consider it (privatization)." If this is the case, what the government must resolve is no more than some issues of management, the matter should be very simple. But comparing the situation with other governments, there is the "secondary nature" of Hong Kong's civil service structure, and the fact that it is not overstaffed, so that it is necessary to use the method of "privatization" to "cut it down to size." Hong Kong has never been a "welfare society." Through the 60's and 70's, Hong Kong began to gradually establish a number of social welfare programs, though by the 1990s, it still had not been able to create a relatively complete and comprehensive social safety net system. The Western situation where things taken to their extreme produce the opposite of that intended and the creation of a "culture of dependency" do not exist in Hong Kong, and hence in addition there is also no need to use "privatization" to reform the system.

International experience indicates that the push to privatize has political motivations. In the West, the so-called "new right wing" conservative monetarists have succeeded not only in the West, but also in penetrating our own country with the attaching of conditions for the support and loans of the World Bank and International Monetary Fund to compel developing countries to get rid of nationalization and promote privatization. The benefit of this approach is that it is advantageous for the expansion of transnational well-financed organizations for realizing huge profits. They also through these means solve problems related to even deeper administrative levels, for example setting the direction of a developing country's ideology and finances, and they have even had a limiting effect on our country's international trade union movement. Some arch-conservative monetarists even believe that in the current situation the world should return to the "laissez-faire capitalism" of the nineteenth century.

Just as previously described, Hong Kong is pursuing a "policy of positive nonintervention" (now it would probably have to be changed to "a policy of limited intervention"), and does not have the compelling need common in the West of vigorously promoting "privatization" or "corporatization." Looking at the speeches of Hong Kong advocates, with the exception of some economists

with blind faith that "privatization" or "corporatization" will inevitably lead to high efficiency and less waste, there are clearly those with political intentions in addition to the fact that some scholars have suggested that it would relieve or remove political pressure from society. It would limit increases in civil servant remuneration in order to reduce the pressure on private organizational employer levels, and limit the development of civil service trade union power (these have developed quite far in comparison with the flourishing of private organizations). I have observed that certain figures advocate privatization or corporatization for covert political purposes.

Hence, can privatization or corporatization really remove political pressure from the Hong Kong government? I think not.

First, according to the Sino-British Joint Declaration, Hong Kong and Britain during the transition period must still maintain administrative responsibility for all of Hong Kong. Using the pretext of privatization or corporatization to unload "millstones" before 1997 wouldn't the people of Hong Kong worry that the Hong Kong and British Governments are gradually abandoning the responsibility of "keeping watch on government"? I am worried that public trust in the government would quickly decline, and the administrative will of civil servants would be dealt a blow—even if sometimes the motivations for privatization and corporatization are comparatively pure and have purely economic considerations, it is difficult to avoid sticking on the label of political motivation, and complicating the issue.

Second, it would be a blow to popular trust in the government. After the establishment of the Hospital Management Office there was a sudden promotion of hospital reform, in order to give prominence to the new management philosophy, some high level administrative personnel from the office often took the former system of rules and regulations and "criticized" and practically "refuted it in its entirety." I heard with my own ears popular stories about people coming and going with virtually no management experience to speak of. Hence, personnel at various levels who have toiled many years seem totally lacking in self-confidence, and in a related manner, the entire civil service structure—a structure whose efficiency and success has been affirmed on one occasion by foreign visitors and by the Basic Law Drafting Committee and the Basic Law Advisory Committee—is also intentionally or inadvertently by "innocents" branded as being devoid of any merit.

Third, privatization may be good, corporatization may be good, but both are a threat to the future, and the salaries and the benefits of the civil service profession. Even if the "fire" is still not burning, for some departments which got wind of it some time ago, personnel still have a feeling of "like grieving for like," not knowing when misfortune will descend on their own heads, and a short-sighted mentality eager for quick success and instant benefit will increasingly set in. Hence, how will it be possible at this time during the transition period,

when there is an urgent need to stabilize the ranks of the civil service, to foster sufficient concern among the civil service for serving society and to foster a feeling of social responsibility for the people of Hong Kong? Moreover, the worries and misgivings of personnel must give rise to repeated demonstrations or protest movements, damaging relations within the civil service structure, and becoming an increasingly divisive and destabilizing factor within society.

Fourth, after the privatization or corporatization of government departments or services, there is often excessive emphasis on cost efficiency and neglect of social interests, and the change in a short time of the types and nature of services inevitably exacerbates social contradictions, increasing the factors causing instability in the society.

Under the various conditions described above, I fear the government will face another serious situation, and the sequelae will also cause even more "political pressure."

Accordingly, I earnestly hope the authorities take a long-term view, and do not again expand plans for privatization or corporatization. In the process, there will be no harm in being cautious, and there can be a real removal of political pressure.

#### Zeng Yu-cheng Discusses Goals of Democratic Alliance

92(M03)54 *Hong Kong LIAOWANG [OUTLOOK]*  
OVERSEAS EDITION in Chinese No 21, 25 May 92  
pp 22-23

[Article by Lu Chong-yun (4151 0112 006) and Hu Jun-kai (5170 0193 0418); "For Hong Kong's Flourishing, Stability and a Smooth Transition—A Visit to Democratic Alliance for the Betterment of Hong Kong Planning Committee Convener Zeng Yu-cheng (0582 6877 2052)"]

[Excerpts] [passage omitted] Recently, in order to discuss the goals, organization and progress of the Democratic Alliance for the Betterment of Hong Kong [HK], and such current and future issues as planning and objectives, this reporter visited the Alliance Planning Committee Convener Mr. Zeng Yu-cheng. [passage omitted]

#### I.

Previously, Hong Kong mass media circles have engaged in much pure conjecture when it comes to the motivations and goals involved in the planning and organizing of the Democratic Alliance for the Betterment of HK. On this, Zeng noted that as a political organization, the goal of the Democratic Alliance for the Betterment of HK is to support the Sino-British Joint Declaration on Hong Kong issues, support the Hong Kong Special Administrative Region Basic Law, support the policies of the Chinese government in solving Hong Kong's problems, and support the "one country two systems" idea and the notion of Hong Kong people ruling Hong Kong. This is

why we organized he stated, and we will exert all our strength for a smooth transition period and stable flourishing of Hong Kong.

Zeng then noted that we had the idea of organizing the Democratic Alliance for the Betterment of HK for some time, and it is not the case as some in the media have stated that the idea sprouted after last year's direct elections for the Legislative Council [Legco]. Hong Kong has many patriotic people who care for Hong Kong, who in the past supported the policy decision of the Chinese Government to take back Hong Kong, and who have made no small contribution to promoting the four modernizations of the motherland. In Hong Kong, there are great numbers of people who put their patriotic feelings into service among the common people, and relatively few who participate in the society's political affairs. In the wake of the drafting of the Sino-British Joint Declaration, after Hong Kong entered into the transition period, we felt that the meaning of patriotism and caring for Hong Kong was different than it had been in the past, and not only should involve service for the masses of Hong Kong, but also should involve participation in important affairs concerning the governing of Hong Kong. Ensuring that Hong Kong has a sufficiently smooth transition period, and is stable and flourishing, enabling "one country two systems," and that Hong Kong people rule Hong Kong to be truly implemented are both patriotic and show care for Hong Kong.

Zeng also stated some media in Hong Kong label as leftists a portion of patriotic figures who care for Hong Kong. No matter what they are called, they are an objectively existing fact in Hong Kong and the concept of Hong Kong people ruling Hong Kong also includes them. For this reason, our idea for organizing a political organization for participating in ruling Hong Kong, is in fact of long standing. In 1985, when Hong Kong held district assembly elections, some leftwing patriotic figures also competed, and there were some who were elected, though their numbers were small. Still this was an attempt by leftwing figures to participate in Hong Kong political affairs.

As for last year's direct elections for the Legco, some believe that the "pro-China faction" suffered a crushing defeat, but Zeng believes that this was deliberately exaggerated. He said that this election has allowed us to accumulate experience, unite the masses, and strengthened our faith. At that time our candidates found themselves in an inferior position. One reason for this was the influence at that time of the international climate on Hong Kong. Second, our campaign opponents had organized earlier, and were very professional in terms of their campaign work, and we lacked the support of an organized political group, and when it came to elections we were also laymen, lacking campaign experience. Even under these unfavorable conditions, our three candidates had unexpected success, and the voting level they achieved was comparatively high, and was also high compared to the vote count of election winners in other electoral districts. He also said that the actual situation

indicates that more and more of the masses support us, and we have no reason to feel that the leftwing groups were not accepted by them. Because our goal is one that is favorable to Hong Kong, it is totally in line with the interests of the people of Hong Kong.

## II.

When talking about the planning and organization situation of the Alliance, Zeng noted that setting about organizing the Alliance began at the end of last year. After the planning and organizing activity was already under way and the group had attracted the support of various elements of the society, the several original founders very rapidly expanded to a group of over 30 people, and as of April this year there were already more than 50 sponsors. On this foundation the Alliance has created the Preparatory Council of the Democratic Alliance for the Betterment of HK, which has chosen an 18 person Planning Committee.

The Democratic Alliance for the Betterment of HK is a political entity with a political program and an organization, and its members are made up of intellectuals, and professionals and is based on figures from the middle levels of society, and serve people who constitute the vast majority of the middle and lower levels of Hong Kong society. But this does not mean to say that the Alliance stands opposed to the upper levels of Hong Kong society.

As a political organization preparing for participation in politics, this Planning Committee places comparatively strict demands on the quality of its members, the first being having similar basic positions and ideology, and the second being requiring them to possess a certain ability to participate in and discuss government and politics, have a certain level of education, analytical ability and ability to debate. Among the current 50 or more sponsors, there are educators, bankers, figures from commerce, high-level administrators and managers of enterprises, lawyers, engineers, doctors and other professionals, trade union representatives, industrialists and businessmen and responsible persons from mass organizations. These people include Legco members, municipal administration department and district administration department members, and a number of elected members from district assemblies in Hong Kong, Kowloon and the New Territories. They included National People's Congress members, members of the Chinese People's Political Consultative Congress and Hong Kong Affairs advisors, with quite strong overall qualities and abilities for participating in government and politics.

As for why the Democratic Alliance for the Betterment of HK chose this time to organize, Zeng said on the one hand it was because at present the situation in China is very good, and with reform and opening up continuing and broadening day by day, and the economy flourishing has the people of Hong Kong brimming with confidence about the future of China, hence their confidence in the future of Hong Kong has also been strengthened. We also

feel that there is a vast world of opportunity opening up. On the other hand, from the beginning of the planning effort until now, various types of preparatory work have been under way, conditions are gradually reaching maturity, so that today we have a situation that can be termed ripe for success.

### III.

At present, the Democratic Alliance for the Betterment of HK Planning Committee members are enthusiastically intensifying their work, going through registering formalities, setting up an office space, engaging staff, meeting with the Hong Kong public, and establishing the Alliance's image. Since 19 May, when the Planning Committee was put in place, preparations have been underway for the official public announcement this year of the establishment of the Alliance, which will be done at an appropriate time, appealing to Hong Kongers from all walks of life, those with aspirations whose thinking and ideals coincide with the goals of the Alliance. Zeng suggested that the Alliance had now entered a stage where it would be strengthening its internal organization. The Alliance will develop its organization and expand its ranks. Towards the end of this year, the Alliance will convene its first general membership meeting, and will elect its principle leaders, and will put forward a clear and concrete political program.

Zeng also gave some explanation of the current internal structure of the Democratic Alliance for the Betterment of HK. The Alliance will establish a research organization to enhance research on various major issues dealing with Hong Kong's political and economic situation. But research will not be done blindly behind closed doors, and when major events occur in Hong Kong, the Alliance must take the initiative and participate.

The Alliance will establish an organization that will respond in a timely fashion to major social events occurring in Hong Kong.

The Alliance will also intensify fund raising. Over the past several months, the support received by the Alliance from a variety of people in society has been inspiring, and there have been a large number of people who have expressed support by providing funds. The Alliance will continue to carry out fund raising activity, will contact people at various social levels, and strive to garner more support.

The Alliance will establish a training group. Zeng stated that it was necessary to participate in governing Hong Kong, and that this could not only be done on the streets marching, shouting slogans, and raising placards, but requires earnest and down-to-earth research and work. For this reason, though among the founders of the

Alliance there are a number of people who in the past have experience in politics, it is still necessary through training to gradually raise the level of people's ability to engage in and discuss politics.

In addition, the Alliance will strengthen links with all levels of society, including links with pro-Beijing forces and groups, and Chinese funded organizations, and also including close contact with Hong Kong citizens. As for other social organizations in Hong Kong, as long as their goals have no contradictions with ours, we are ready to maintain friendly contacts with them, and there also may be some areas where we could cooperate. In short, we will maintain good relations with a variety of players.

### IV.

Speaking about the goals of the Alliance in the near future, Zeng noted that taking part in elections is the major task of a political organization, and starting next year the Alliance will be focusing work on the various districts, and launching district work in preparation for the 1995 Legco elections. Zeng believes that the 1995 elections will be a major measure of whether or not Hong Kong will be able to have a stable transition and maintain a stable and flourishing economy. If Hong Kong does not elect a group of Hong Kong figures who have confidence in the 1995 elections, who seek improved relations with the Chinese government, and who are able to establish relations of mutual trust between the Chinese government and Hong Kong, then a stable transition for Hong Kong will become very problematic. Therefore, the Alliance will throw itself fully into the 1995 elections. In participating in the elections, we must face the Hong Kong electorate, and we must strive for the support of the electorate, but first we must obtain the trust of the electorate. We will take practical action to allow the people of Hong Kong to have a better understanding of the Alliance, approve our goals, and look on us as patriotic figures who love Hong Kong, and as people who are genuinely working to safeguard the interests of Hong Kong.

Zeng said that if some people ask, what will you do when contradictions emerge between the Chinese government and Hong Kong on a certain issue? Our perspective is that the interests of China and the interests of Hong Kong are identical, and as Hong Kongers, we of course will start from Hong Kong's perspective and Hong Kong's interests, standing and speaking from the position of a Hong Konger. At the same time, we also will give consideration to the overall situation, and consider and analyze the issue from a broader perspective. In the process of being a Hong Konger striving for Hong Kong interests, we will proceed in accordance with the Joint Declaration, the Basic Law and in accordance with China's policies vis-a-vis Hong Kong. [passage omitted]

**END OF  
FICHE**

**DATE FILMED**

17 July 1992

